IVY TECH
COMMUNITY COLLEGE

FINANCIAL REPORT

2023-2024

IVY TECH
COMMUNITY COLLEGE

PRESIDENT

Dr. Susan Ellspermann

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Dear Friends:

On behalf of the Trustees of Ivy Tech Community College of Indiana, I am pleased to present the College's 2023-2024 Financial Report.

With *Higher Education at the Speed of Life* as our North Star, we have continued to enhance our methodologies for teaching and learning, amplify workforce and careers, enhance the student experience, and drive toward operational excellence. The faculty and staff have made significant progress during this reporting period to improve our ability to meet the evolving needs of Indiana's students and employers.

We are proud to announce that we have surpassed both our enrollment and completion goals for 2023-2024. Total enrollment increased to 178,932 (8.6%) students, and completions exceeded 46,000. In addition, we saw the highest number ever of high school students completing college credentials, reinforcing our position as the leader in preparing Indiana's future workforce.

Here are some key highlights from this year:

Transformational Collaborations

As part of our strategic focus on workforce and careers, Ivy Tech and Purdue University announced a new collaboration dubbed "Green to Gold" to expand Indiana's engineering workforce, addressing critical skill shortages in the state. This partnership will streamline educational pathways, enabling more students to pursue engineering careers and support Indiana's growing tech and manufacturing sectors.

Commitment to Student Success

Building on our Ivy+ Tuition and Textbooks initiative, we continue to provide students with necessary resources on or before day one of classes at a significantly reduced cost. This model has now been in place for three years, saving students millions in textbook expenses and ensuring they are equipped to succeed in their studies.

Financial Stability and Growth

We received a credit rating upgrade from Fitch Ratings, recognizing Ivy Tech's strong fiscal health and prudent financial management. This upgrade reflects our commitment to maintaining financial strength and sustainability while investing in programs that support student success and workforce readiness.

Campus Development

As part of our strategic investment in state-of-the-art learning environments, the Trustees approved $60 million in improvements for the Fort Wayne campus, enhancing our ability to serve students and the community effectively. In addition, the College and Foundation completed a $12M investment in the East Chicago Technology Center with upgraded machine tool, industrial technology, and welding facilities.

Record Nursing Program Expansion

In line with our strategic goal of addressing Indiana's healthcare workforce needs, we opened more than 800 new nursing seats, surpassing our initial target of 600 additional students by 2025. This expansion reflects our commitment to meeting the state's critical healthcare challenges. Ivy Tech continues to be the largest associate degree nursing program in the nation.

Lilly Scholars Program

In partnership with Eli Lilly and Company, we launched the Lilly Scholars program, which provides scholarships to underrepresented students pursuing careers in high-demand fields such as biotechnology, manufacturing, and computer science. This program not only addresses equity in education but also ensures a diverse and skilled workforce pipeline for Indiana's life sciences and technology sectors.

In a time of shifting demographics and evolving workforce demands, Ivy Tech remains dedicated to providing accessible, high-quality education and workforce training. With continued partnerships, investments, and innovative strategies, we are achieving the goals outlined in our strategic plan and shaping Indiana's future — delivering on our mission of *Higher Education at the Speed of Life*.

Thank you for your unwavering support as we work to create opportunities for students and contribute to Indiana's economic vitality.

Sincerely,

Sue Ellspermann
President

October 11, 2024

To the President and State Board of Trustees of Ivy Tech Community College of Indiana:

I am pleased to submit the Annual Financial Report for Ivy Tech Community College of Indiana for the fiscal year concluded on June 30, 2024. This report consolidates financial data from Ivy Tech's nineteen campuses and various other locations across Indiana, providing a detailed and insightful overview of our financial stature.

The financial statements have been crafted in accordance with Governmental Accounting Standards Board (GASB) protocols and are supplemented by accompanying notes and a detailed Management Discussion and Analysis. These elements collectively offer a holistic overview of Ivy Tech's fiscal position.

An analysis is included herein, which compares the College's financial position for the fiscal years ended June 30, 2024, and June 30, 2023, with comparative information for fiscal year 2022. This comparison represents Ivy Tech Community College's continued fiscal strength and sound financial position.

With the essential support of the General Assembly, Ivy Tech proudly maintains the lowest tuition costs in the state, reinforcing our commitment to making higher education universally accessible to all Hoosiers. We are devoted to efficient resource management and strategic financial planning to ensure the sustainability and growth of our institution, allowing us to deliver unparalleled value to our students and stakeholders.

The enclosed financial statements have been subjected to a comprehensive audit by the Indiana State Board of Accounts, the results of which are available on pages 5-7 of the report, affirming the accuracy and reliability of the presented financial information.

This report serves as a complete and authoritative record of Ivy Tech Community College of Indiana's financial status for the stated period and underscores our unwavering commitment to transparency, accountability, and excellence in fiscal management.

Respectfully submitted,

Dominick Chase

Dominick M. Chase
Senior Vice President for Business Affairs, Chief Financial Officer & Treasurer

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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF IVY TECH COMMUNITY COLLEGE
OF INDIANA, INDIANAPOLIS, INDIANA

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Ivy Tech Community College of Indiana (College), a component unit of the State of Indiana, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the Table of Contents.

In our opinion, based on our audit and the report of the other auditor, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component units, of the College, as of June 30, 2024 and 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Ivy Tech Foundation, Inc. (Foundation), a component unit of the College as described in Note I, which represents 100 percent, 100 percent, and 100 percent, respectively, of the total assets, net position, and revenues of the discretely presented component unit as of June 30, 2024 and 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended. Those statements, which were audited in accordance with auditing standards generally accepted in the United States of America, but were not audited in accordance with *Government Auditing Standards,* were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the College, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Emphasis of Matter

As discussed in Note I. U., to the financial statements, in fiscal year 2024, the College adopted new accounting guidance *Governmental Accounting Standards Board Statement 100, Accounting Change and Error Corrections*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance, and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Schedule of College's Other Postemployment Benefits, the Schedule of College's Proportionate Share of the Net Pension Liability, and the Schedule of the College's Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the President's Letter, State Board of Trustees, Management Letter, and Five Year Trend in Student Enrollment, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2024, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Beth Kelley

Beth Kelley, CPA, CFE
Deputy State Examiner

October 31, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

This section of Ivy Tech Community College of Indiana's (Ivy Tech) Annual Financial Report presents a discussion and analysis of the financial performance of the College for the fiscal year ending June 30, 2024, and 2023 along with comparative data for the year ending June 30, 2022. The management's discussion and analysis provide summary-level financial information; therefore, it should be read in conjunction with the accompanying financial statements and note disclosures. The management's discussion and analysis is designed to focus on current activities, significant changes, and currently known facts. The financial statements, notes, and this discussion are the responsibility of management.

Ivy Tech is the largest, singly accredited community college in the country. Ivy Tech has 45 locations in Indiana: 19 full-service campuses, plus 26 satellite locations where students can take classes and receive select student services. Each location offers a unique set of programs and services.

Ivy Tech emphasizes affordability and excellence in meeting the learning needs of both Indiana residents and businesses. Ivy Tech graduates the highest number of associate-level nurses in the nation. In addition, the College offers 70+ programs with true hands-on learning using modern equipment, state-of-the-art labs, and internship and apprenticeship options with a focus on filling Indiana jobs.

Ivy Tech is a component unit of the State of Indiana. The financial reporting entity consists of the College and the Ivy Tech Foundation (Foundation), a component unit of the College under GASB regulations. The Foundation's principal activity is to promote educational, scientific, and charitable purposes in connection with or at the request of the College. GASB requires the Foundation to be discretely presented in the College's financial statements. Since the Foundation is a private organization, it reports under Financial Accounting Standards Board (FASB) standards instead of GASB. As such, certain revenue recognition criteria and presentation features may differ from GASB standards. No modifications have been made to the Foundation financial information included in the College's financial report to account for these differences. Refer to Note I, *Summary of Significant Accounting Policies Section C,* for more information.

Financial Highlights

In return for providing the resources necessary for the operations of the College, Ivy Tech's students and Indiana taxpayers demand careful stewardship of State appropriations, student fees, grants and contracts, donor contributions, and other funds. This fiscal year's Annual Financial Report reflects that commitment to Ivy Tech stakeholders.

Overall, the College's financial position continues to strengthen. During fiscal year 2024, the College's net position increased by $51.9 million, a 5.2% increase in net position. $51.7 million of the increase was in unrestricted net position. Net position represents the residual interest in the College's total assets and deferred outflows after deducting total liabilities and deferred inflows.

	2024	2023	2022 (As Restated)
Operating revenues and appropriations	$509,871,627	$479,014,119	$465,657,641
Operating expenses	(638,234,888)	(620,021,150)	(681,133,793)
	(128,363,261)	(141,007,031)	(215,476,152)
Net investment income	34,126,397	12,706,654	(15,867,236)
Other non-operating net revenue	146,145,943	156,850,644	285,257,025
Increase in net position	**$51,909,079**	**$28,550,267**	**$53,913,637**

This performance has allowed the College to continue to fully fund internally designated funds to offset employee-related liabilities while also increasing reserves for operations, repair and rehabilitation, and technology-related infrastructure.

The College's primary source of operating revenue is student tuition and fees. Total enrollment increased to 178,932 (by 8.6%) this year, reaching a five-year high on a three-year enrollment increasing trend after several prior years of declining enrollment, as demonstrated in the *Five-Year Trend in Student Enrollment Supplementary Schedule* attached to this report. The increase in enrollment resulted from initiatives through the College's strategic plan, *Higher Education at the Speed of Life,* which has a metric goal of reaching 190,000 total enrollments, including Skills Training Students. The College is using data to convert applications and continuing students to registration, focusing on increasing retention, and offering programs including free summer classes for High School Students, partnerships with employers for students to earn degrees through the Achieve Your Degree Program, affordable flat full-time tuition and textbook rate though Ivy+, and Summer-Flex Scholarship to encourage students to take 30 credits per academic year.

The College's primary expense is employee compensation. Ivy Tech employed 6,598 faculty and staff as of Spring and 5,584 as of June 30, 2024 throughout the state. Planned variances in faculty levels occur during the year due to the utilization of 9-month faculty contracts. Ivy Tech is a key employer in the State of Indiana, offering a competitive benefits package which results in liabilities related to participation in the State's Public Employees' Retirement Fund (PERF) for employee pension benefits, and medical and dental benefits provided to eligible retirees and their spouses/dependents. Full-time employees receive performance evaluations, which are leveraged along with College leadership recommendations to allocate pay for performance increases, with the most recent going into effect on July 3, 2023. The cost to remain competitive resulted in salaries and wages and benefit expenses increasing by 5.2% due to elevated inflation and wage growth.

Investments are a significant asset of the College. The College's investment strategy is to ensure liquidity while maximizing return. The College's investment strategy is structured in three tiers. Tier 1 provides for cash flow needs of less than one year and has a target of $50 million, Tier 2 acts as a contingency account and has a target of $30 million, and Tier 3 is comprised of the remaining balance in which risk-adjusted returns are maximized. The State Board of Trustees approved the changes to the Investment Policy during the February 2023 board meeting, which expanded investment options for Tier 3, allowing the College to maximize its return by taking advantage of the high bond yield primarily through higher duration bonds, which resulted in some adjustment to investments in fiscal year 2023 that continued through fiscal year 2024. The College earned a Federal Fund rate minus 20 basis points for Tier 1, contributing to increased investment income. Additionally, the College experienced higher investment income on bonds due to the interest rate environment. The College does not invest in equities per its investment policy.

The College relies on the Ivy Tech Foundation to invest and manage donor endowments ($53.2 million in fiscal year 2024) which produces annual scholarships to students and supports academic initiatives. The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The target return, net of fees, is 7%. The Foundation targets a diversified asset allocation of 55% equity investments, 35% fixed income investments, and 10% alternative investments to achieve its long-term return objectives within prudent risk constraints. The Foundation has a policy of appropriating for distribution 6% of its endowment fund's asset value each year for the benefit of the College and its students. The Foundation recently completed a five-year campaign raising $340 million on a campaign goal of $285 million and is in the planning stage of its next campaign.

Ivy Tech continues to invest in modernizing buildings to serve the needs of its programs. Capital projects may be funded through a combination of public debt bonds and other sources, with debt service payments appropriated by the Indiana General Assembly being reimbursed by the State. In fiscal year 2023, the State approved an all-cash project in Indianapolis for a total of $33 million. On average, the College is paying 2.4% in interest each year ($5.2 million in fiscal year 2024), to manage the investment in capital ($678.5 million in fiscal year 2024) with leveraged debt ($235.5 million in fiscal year 2024). The College is committed to providing a safe place for students that meets the needs of their educational programs. The strategy is to have the right type of space at the right size for programs. During the fiscal year 2024, the College continued investing in nursing labs and campuses throughout the state and major renovations on the East Chicago campus. The College continues to monitor capital needs and, with the Statewide Facilities Master Plan, outline the College's capital needs for the next few years.

For the fiscal year ending June 30, 2024, the College adopted the new guidance provided from The National Association of College and University Business Officers (NACUBO) Advisory 2023-01 for calculating scholarship discount and allowances. Of the four methods provided by NACUBO, the College elected to use the Student by Term Method (Method A) for calculating its estimate. This new calculation leverages student data available in the College's student information system to match student-specific aid to student-specific charges resulting in a more accurate measure of scholarship discount and allowances. The College also updated the estimated useful lives of its buildings and improvements during the fiscal year as part of a Statewide Facility Master Plan. Historically, Ivy Tech has depreciated its buildings over a useful life of 40 years and its improvements to buildings over the remaining life of the building. After conducting research and assessing the current useful lives of buildings with engineering partners, the College deemed it appropriate to update the estimated useful lives of these assets. For buildings, the College elected to update the useful life of its buildings based on the primary material of the building, resulting in a range of estimated useful life between 25 years for metal sided buildings to 88 years for stone or brick buildings. Building improvements were determined to have an estimated useful life between 20-40 years based on the scope of the improvement. These changes in accounting estimates do not impact the change in net position for prior years and will be reported prospectively in accordance with GASB 100, paragraph 20. See Note I Section V, *Change in Accounting Estimate,* for further details on both the changes to Scholarship discount and allowance and Capital Asset useful lives.

During the fiscal year ending June 30, 2023, the College implemented another change, which resulted in recording additional assets and liabilities. The change is the adoption of GASB Statement Number (No.) 96, *Subscription-based Information Technology Arrangements (SBITA)*. This statement establishes new requirements for calculating and reporting the College's SBITA activities. The College recognized SBITA assets and related SBITA subscription payables at the present value of expected future payments for SBITA agreements.

Included is an analysis of the College's Statement of Net Position, which presents the assets, deferred outflows, liabilities, deferred inflows, and net position of the College. All are measured as of the fiscal year end. The Statement of Revenues, Expenses, and Changes in Net Position (SRECNP) reflects revenues and expenses recognized during the fiscal year. The College's financial statements, related footnote disclosures, and required supplementary information (RSI), including management's discussion and analysis, have been prepared by management. GASB required supplementary information is not audited and should be read in conjunction with the financial statements and footnotes.

Statement of Net Position

The Statement of Net Position includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service to the College, regardless of when cash is exchanged. Deferred outflows of resources are the consumption of net assets by the College that are applicable to a future reporting period. Deferred inflows of resources are the acquisition of net position by the College that are applicable to a future reporting period.

A three-year summarized comparison of the College's assets, deferred outflows, liabilities, deferred inflows, and net position is below:

June 30	2024	2023	2022 (As Restated)
Current assets	$185,448,558	$311,178,561	$336,761,211
Noncurrent			
Capital assets, net	678,535,353	667,759,883	655,316,800
Other noncurrent assets	550,130,937	388,854,527	385,058,534
Total assets	**1,414,114,848**	**1,367,792,971**	**1,377,136,545**
Deferred outflows of resources	2,161,911	2,318,432	2,417,366
Current liabilities	99,436,220	82,119,517	111,905,277
Noncurrent liabilities	256,070,533	275,290,479	277,479,418
Total liabilities	**355,506,753**	**357,409,996**	**389,384,695**
Deferred inflows of resources	8,211,419	12,051,899	18,069,975
Total net position	**$1,052,558,587**	**$1,000,649,508**	**$972,099,241**

Current Assets

Current assets consist of cash and cash equivalents, investments, net accounts receivable, and other assets. In fiscal year 2024, cash and cash equivalents decreased by $170.4 million as cash was converted to short-term and long-term investments to take advantage of higher yields. Short-term investments increased by $37.2 million due to investment reallocations, income, and realized gains. Accounts receivable increased by $10.8 million due to an increase in grant receivables from private and Federal grants.

In fiscal year 2023, cash and cash equivalents increased by $45.6 million and short-term investments decreased by $46.7 million due to a temporary reallocation of short-term investments to cash. Accounts receivable decreased by $23.7 million primarily due to decreased grant receivables associated with State and Federal contracts.

Noncurrent assets

Noncurrent assets include deposit with trustee, lease receivables, investments, and capital assets. In fiscal year 2024, long-term investments increased by $161.6 million as cash was invested due to investment reallocations, income, realized gains, and unrealized gains. Also, during fiscal year 2024, deposit with trustee decreased by $162 thousand due to all funds being drawn from the Series W bond construction and earnings accounts held by U.S. Bank.

In fiscal year 2023, deposit with trustee decreased by $4.0 million due to the continued proceeds from the Series W bond being held by U.S. Bank for the Columbus construction project. Long-term investments increased by $7.9 million during fiscal year 2023 due to market fluctuations.

During fiscal year 2024, net capital assets increased by $10.8 million or 1.6%. The increase in assets can be attributed to a rise in Construction Work in Progress and Right-to-use leased equipment. Construction Work in Progress increased by $22.9 million due to the increase in renovations of the East Chicago and Sellersburg campuses along with the expansion of Healthcare and Nursing labs across the state. The increase in Right-to-use lease equipment is due to a new agreement entered into by the College to update the network equipment statewide. A decrease in net book value of Land Improvements, Buildings, and Building Improvements in the fiscal year offset the increase in Construction Work in Progress and Right-to-use leased equipment. The net book value of Land Improvements decreased by $2.4 million or 17.9% due to an increase in accumulated depreciation for the year and minimal improvements projects completed in the fiscal year. The net book value of Buildings and Building Improvements decreased by $15.4 million or 2.8% due to minimal additions to buildings and building improvements for the year and the decrease in the estimated useful life to Fort Wayne and Michigan City campus buildings which are scheduled for major renovations and demolition over the next five years.

During fiscal year 2023, net capital assets increased by $12.4 million or 1.9%. The most significant changes to capital assets in fiscal year 2023 were the capitalization of Workday as a Right-to-use subscription, lower capital building projects/acquisitions, and an increase in depreciation expense. The College's implementation of Workday as its financial and human resources software, along with other Right-to-use subscriptions, resulted in a $30.6 million or 332.0% increase in Right-to-use subscriptions in fiscal year 2023. The completion of projects and acquisitions in 2023, combined with an increase in depreciation expense, resulted in the overall net book value of Buildings decreasing by $16.6 million or 3.0% in fiscal year 2023. See Note III for additional information.

Capital Assets, Net, At Year-End

	2024	2023	2022 (As Restated)
Construction work in progress	$37,587,836	$14,720,931	$11,173,878
Land	31,314,377	31,248,943	31,253,540
Land improvements and infrastructure	10,920,240	13,297,294	17,165,668
Buildings	530,344,184	545,777,231	562,424,917
Furniture, fixtures, and equipment	16,483,911	15,438,453	16,151,591
Library materials	91,561	128,606	178,350
Right-to-use lease equipment	10,330,607	1,602,861	347,173
Right-to-use lease buildings	3,034,818	5,115,124	6,824,644
Right-to-use lease land	541,403	559,638	568,093
Right-to-use subscriptions	37,886,416	39,870,802	9,228,946
Totals	**$678,535,353**	**$667,759,883**	**$655,316,800**

Significant additions to capital assets during 2024, 2023, and 2022 included:

	2024	2023	2022
ADA Bathroom Remodel	$468,450	$ -	$ -
Ft. Wayne Harshman Hall Project	523,239	-	-
Ross Hall Slate Roof Replacement	206,584	-	-
OIT Network Equipment Refresh Right-to-use Asset	9,530,296	-	-
Ft. Wayne Water Infiltration Repairs	-	465,380	-
Ft. Wayne Parking Lot Light Replacement	-	533,620	-
Workday Right-to-use subscription	-	32,976,886	-
Smith Field Aviation Building	-	2,103,705	-
Columbus bonded construction project	-	-	23,472,621
Kokomo bonded construction project	-	-	42,452,269
Indianapolis Automotive project	-	-	13,084,546
C4 building	-	-	40,089,974
Totals	**$10,728,569**	**$36,079,591**	**$119,099,410**

Construction in progress reflects multi-year projects which, once completed and placed into service, are generally categorized as buildings, land improvements, and infrastructure. Significant in-progress projects on June 30, 2024, 2023, and 2022 include:

	2024	2023	2022
Security Project - Lake County	$746,589	$746,589	$710,669
East Chicago Welding Lab Project	1,766,015	1,765,581	668,751
Statewide Facilities Plan	1,820,977	901,944	-
East Chicago Renovation Cap Project	8,486,702	281,784	-
EDA Sellersburg Pfau Hall - Fed	3,314,621	523,239	-
Workday Implementation Project - Statewide	-	-	2,056,392
Hashman Hall Project - Ft. Wayne	-	-	510,367
Various Repair & Rehabilitation, Parking Lot & Grant Funded Projects	21,452,932	10,501,794	7,227,699
Total construction in progress	**$37,587,836**	**$14,720,931**	**$11,173,878**

As of June 30, 2024, upcoming projects include the renovation of the Indianapolis campus funded by the State and the renovation of the Fort Wayne campus funded through bond issuance.

Deferred Outflows of Resources

Deferred outflows of resources are a consumption of net assets applicable to a future reporting period. For the College, the deferred outflows relate to the College's pension plan. Deferred outflows in fiscal year 2024 remained consistent when compared to fiscal year 2023 and 2022.

Current liabilities

Current liabilities include accounts payable and accrued liabilities, current portions of compensated absences, unearned revenue, and debt obligations. Accounts payable and accrued liabilities fluctuate annually based on timing considerations of payroll and receipt of goods and services. The most notable change in fiscal year 2024 was an increase of $10.8 million in accounts payable and accrued liabilities as there was not a purchasing freeze like there was in fiscal year 2023 due to the transition to Workday. The most significant change in fiscal year 2023 was the $32.6 million decrease in accounts payable and accrued liabilities due to a purchasing freeze during June 2023 during the transition to Workday, the College's new enterprise resource planning software.

Noncurrent liabilities

The College's noncurrent liabilities include long-term compensated absences, long-term debt, net pension liability, and other postemployment benefits. Pension and OPEB obligations continue to fluctuate based on actuarial assumptions, market valuation of investments, and contributions to the plans. As a result, combined pension and OPEB liabilities experienced changes of $1.0 million and $2.4 million in fiscal years 2024 and 2023 respectively.

During the year ended June 30, 2024, total bond obligations and related premiums decreased by $22.4 million due to scheduled debt payments and the refunding of the Series R Bond. In fiscal year 2024, the College issued the Series X-4 bonds, which refunded the Series R bonds. The refunding of the Series R bonds provided the college with a refunding savings of $623.1 thousand. The decrease in bond obligations was offset by the addition of $5.1 million in GASB 87 lease obligations. During fiscal year 2023, total bond obligations and related premiums decreased by $21.7 million due to scheduled bond payments.

The College periodically reviews its debt capacity and related capital assets needs to optimize the use of its long-term resources. As of June 30, 2024, the College's outstanding debt held an investment grade credit rating of 'AA+' from both Standard & Poor's and Fitch, with a stable outlook. Additional information about noncurrent liabilities is presented in Note IV.

Deferred Inflows of Resources

Deferred inflows of resources are the acquisition of net assets applicable to future reporting periods. For the College, the deferred inflows primarily relate to pension and OPEB activity and certain leases where the College is the lessor. The pension and OPEB deferred inflows are the result of plan projected and actual investment contributions, changes in assumptions, and participants. As a result, combined pension and OPEB deferred inflows decreased by $3.6 million during fiscal year 2024 and decreased by $5.9 million during fiscal year 2023. Additional information about deferred inflows of resources is presented in Note VII and Note VIII, Section B.

Net Position

Net position represents residual College assets and deferred outflows after liabilities and deferred inflows are deducted. The College's net position on June 30, 2024, 2023, and 2022 was as follows:

	2024	2023	2022 (As Restated)
Net investment in capital assets	$386,988,666	$380,986,490	$389,961,724
Restricted: Nonexpendable	-	-	-
Expendable	14,107,350	19,917,264	8,814,895
Unrestricted	651,462,571	599,745,754	573,322,622
Totals	**$1,052,558,587**	**$1,000,649,508**	**$972,099,241**

Net investment in capital assets represents the College's land, buildings, software, and equipment net of accumulated depreciation and amortization, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

Restricted nonexpendable net position is subject to externally imposed stipulations that they be maintained permanently. Such net position includes the corpus portion (historical value) of gifts to the permanent endowment funds and certain investment earnings stipulated by the donor to be reinvested permanently. The College does not currently have a restricted nonexpendable net position. However, the Ivy Tech Foundation does have a restricted nonexpendable net position, held primarily on behalf of the College.

Restricted expendable net position is subject to externally imposed restrictions governing its use. Such net position includes restricted quasi-endowments, restricted gifts, and federal and state sponsored programs. During fiscal year 2024, expendable restricted net position decreased by $5.8 million due to the completion of numerous repair and renovation projects. During fiscal year 2023, expendable restricted net position increased by $11.1 million due to continued work on outstanding capital projects that were unfinished at year end.

Unrestricted net position is not subject to externally imposed restrictions; however, much of the College's unrestricted net position is internally designated to meet various specific commitments. These commitments include internally designated funds to offset employee-related liabilities; reserves for operations, repair and rehabilitation; and technology related infrastructure. In fiscal year 2024, unrestricted net position increased by $51.7 million due to an increase in state appropriations, reduction in depreciation expense, and investment income. In fiscal year 2023, unrestricted net position increased by $26.4 million due to an increase in operating revenue and investment income.

Statement of Revenues, Expenses, and Changes in Net Position

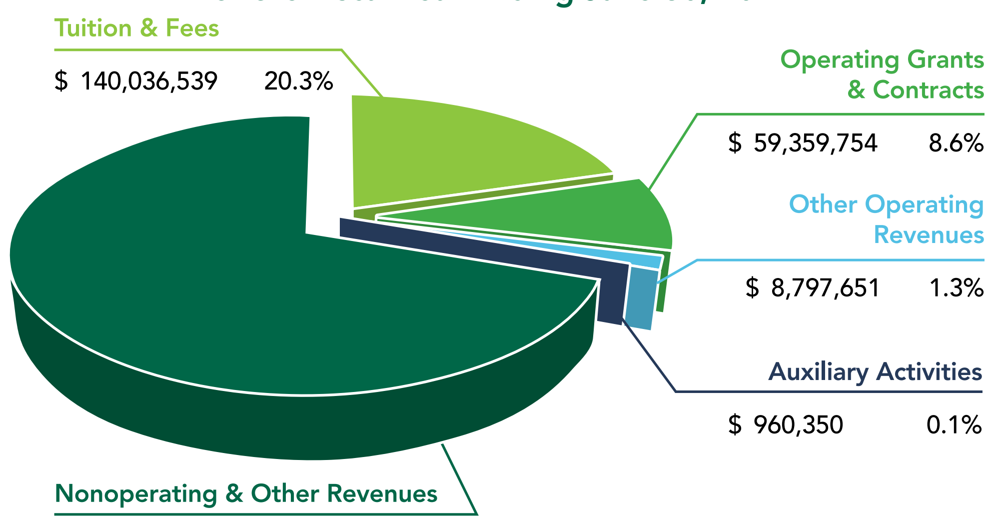
The Statement of Revenues, Expenses, and Changes in Net Position presents the operating results of the College, as well as the nonoperating revenues and expenses. Operating revenues primarily include net student tuition and fees, grants and contracts, and auxiliary activities. Given a public college's dependency on revenues such as state appropriations, gifts, and investment income, which are prescribed by GASB as nonoperating revenues, operating expenses will typically exceed operating revenues, resulting in an operating loss. Net nonoperating revenues or expenses are an integral component in determining the increase or decrease in net position.

A summarized comparison of the College's revenues, expenses, and changes in net position for the years ended June 30, 2024, 2023, and 2022 follows:

Year Ended June 30	2024	2023	2022 (As Restated)
Student tuition and fees, net	$140,036,539	$139,885,365	$138,596,329
Grants and contracts	59,359,754	47,509,222	43,446,198
Auxiliary and other	9,758,001	11,515,031	8,121,981
Total operating revenues	209,154,294	198,909,618	190,164,508
Operating expenses	(638,234,888)	(620,021,150)	(681,133,793)
Total operating losses	(429,080,594)	(421,111,532)	(490,969,285)
Nonoperating revenues	481,511,136	453,067,803	545,232,702
Nonoperating expenses	(5,243,663)	(10,005,797)	(22,778,927)
Income before other revenues, expenses, gains, or losses	47,186,879	21,950,474	31,484,490
Other revenues	4,722,200	6,599,793	22,429,147
Increase in net position	51,909,079	28,550,267	53,913,637
Net position, beginning of year	1,000,649,508	972,099,241	918,185,604
Net position, end of year	**$1,052,558,587**	**$1,000,649,508**	**$972,099,241**

The College is supported by a multiple stream of revenues including student tuition and fees, state appropriations, federal and state grants, private gifts and grants, and investment income. The College continues to seek revenue sources that are consistent with its mission and to manage these financial resources to make quality education affordable to its students.

Total Net Revenues by Source for the Fiscal Year Ending June 30, 2024



State & Capital Appropriations	$ 305,371,033	44.3%
Nonoperating Gifts, Grants, Contracts	$ 146,561,732	21.2%
Investments & Other Gains/Losses	$ 29,056,908	4.2%
	$ 480,989,673	69.7%

Operating Revenues

The primary source of operating revenue is tuition and fees, which includes scholarship discounts and allowances for the difference between the stated tuition rates and the amounts paid by students and/or third-party payers (state and federal financial aid). Gross student tuition and fees assessed for educational purposes increased by $30.5 million or 13.9% as the result of an increase in full-time equivalent enrollment and a tuition rate increase. The tuition and fee increase, which was offset by an increase in scholarship discounts of $30.4 million due to the change in accounting estimate shown in Note I Section V, produced an increase in net tuition of $151 thousand. Grants and contracts increased by $11.9 million or 24.9%, primarily due to increases in federal and nongovernmental grants. We are also now presenting grants and contracts based on their prime sponsor instead of their direct sponsor to improve efficiency in the reconciliation of grant activity, which contributed to the increase in federal grants and decrease in state grants. Revenue from auxiliary enterprises increased by $32 thousand or 3.5% due to increased catering and rental sales.

In 2023, gross student tuition and fees assessed for educational purposes increased by $13.7 million or 6.6% as the result of an increase in full-time equivalent enrollment, which was offset by an increase in scholarship discounts of $12.4 million, producing an increase in net tuition of $1.3 million. In 2023, grants and contracts increased by $4.1 million or 9.4% primarily due to increases in state and nongovernmental grants. In 2023, auxiliary enterprises decreased by $30 thousand or 3.1% because of decreased bookstore commissions that were mostly offset by increased catering and rental sales.

Nonoperating and Other Revenues

This category consists of State and Federal appropriations, investment income, interest on capital asset-related debt, governmental grants and contracts, gains (losses) on the sale and disposal of capital assets, gifts, and student government support. Most of the increases in nonoperating revenue during 2024 were due to increases in state appropriations ($20.6 million) and investment income ($21.4 million). These increases were partially offset by decreases in federal grants and contracts ($16.0 million) and capital gifts & grants ($2.9 million).

The major factors for the decrease in 2023 were fully spending Federal Higher Education Emergency Relief Funds (HEERF) funds during 2022 ($107 million) and decreases in capital gifts & grants ($15.8 million). These decreases were partially offset by increases in state appropriations ($4.6 million) and investment income ($28.6 million).

Operating Expenses

Operating expenses are costs incurred as part of the day-to-day operations of the College. They are presented on the financial statements using natural classifications: salaries and wages, benefits, scholarships and fellowships, utilities, supplies and other services, and depreciation and amortization.

Employee pay and benefits continued to be the most significant operating expenses for the College during 2024. The College depends on its highly skilled and qualified workforce to continue successfully executing its mission. As a result, these expenses increased in 2024 by $18.6 million or 5.2% to provide a performance increase to full-time employees that was effective July 3, 2023, and increases to employee benefits including OPEB, fee remission, tuition assistance, PERF, and accrual vacations. Scholarship expenses decreased by $10.8 million due primarily to the change in accounting estimate related to scholarship allowances. Scholarship allowances increased which reduced student aid expense. See Note I Section V for more details on the change in estimate. Supplies and other services increased by $17.8 million due to increases in enrollment that have caused increases in apprentice contract expense and other classroom and student costs to facilitate student learning. Depreciation and amortization decreased by $6.2 million due to the College changing its policy on the useful life of its buildings. See Note I Section V for more details on the change in estimate.

In 2023, salaries and benefits increased by $22.2 million due to salary increases and a one-time inflationary pay on May 26, 2023. Scholarship expenses decreased by $80.6 million due to the final amounts of Federal Student HEERF awarded in fiscal year 2022. Supplies and other services decreased by $10.1 million due to the implementation of GASB 96, resulting in expenses being recorded as liabilities. Depreciation and amortization increased as major construction projects were completed as well as due to amortization of leases and software due to GASB 87 & 96.

In addition, the College is required to report operating expenses by their functional categories:

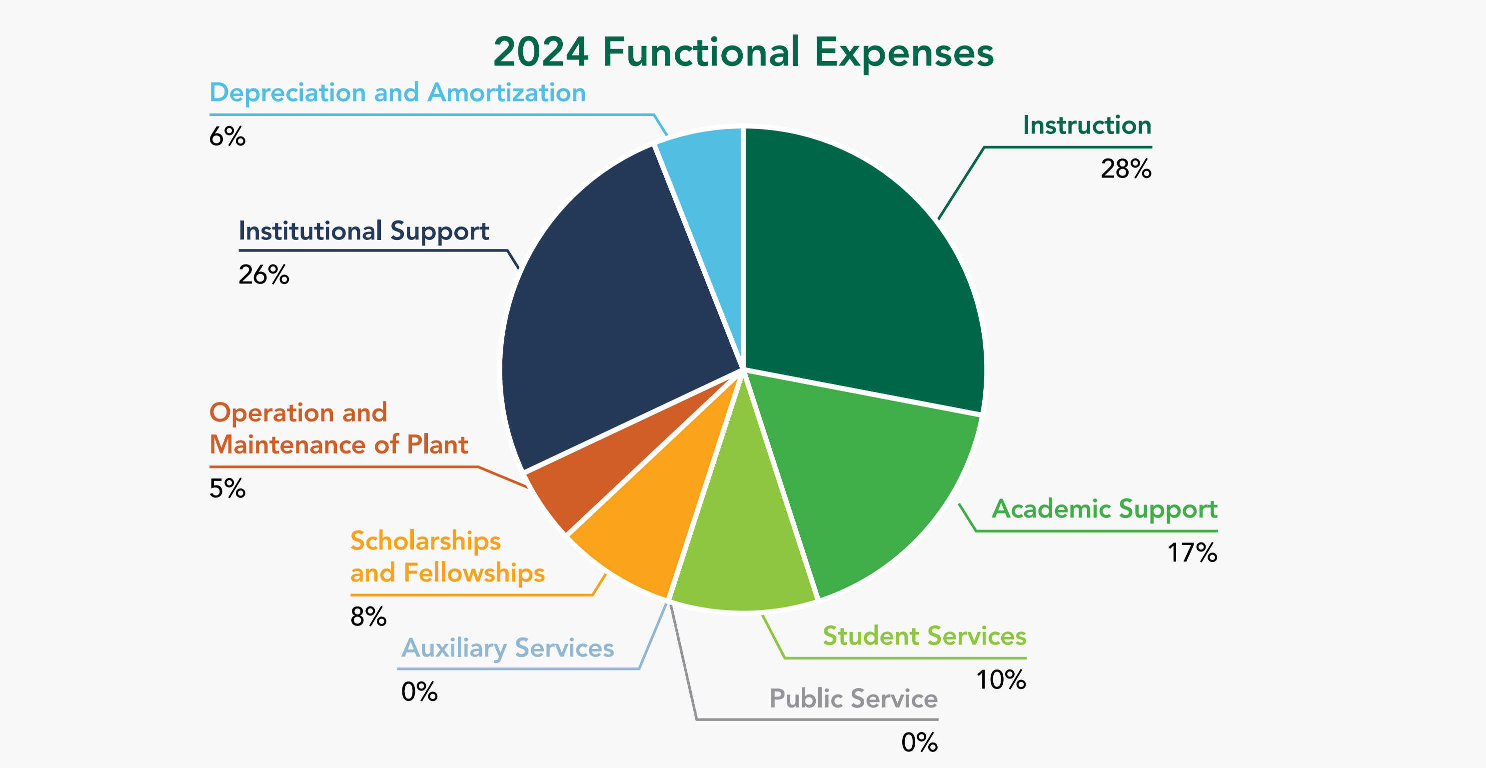
Functional Classification	2024	Reclassified 2023	Reclassified 2022 (As Restated)
Instruction	$179,351,092	$170,797,209	$160,384,528
Institutional support	166,440,163	171,064,418	156,963,334
Scholarships & fellowships	50,850,892	61,992,141	144,186,883
Academic support	107,128,836	90,102,072	83,584,322
Student services	60,781,086	55,481,528	56,759,444
Operations & maintenance of plant	33,405,717	25,250,406	36,363,863
Depreciation & amortization	39,084,382	45,246,979	39,475,615
Auxiliary services	848,671	(711,390)	2,660,341
Public services	344,049	797,787	755,463
TOTAL	**$638,234,888**	**$620,021,150**	**$681,133,793**

Each year, operating expenses are reduced by the amount shown as scholarship allowances. In prior fiscal years, this amount was included in the institutional support functional class. However, in fiscal year 2024 the reduction in operating expenses for scholarship allowances was included in the scholarships & fellowships functional class. To improve comparability, the functional expense charts for fiscal years 2023 and 2022 were reclassified to include the reduction in operating expenses for scholarship allowances in the scholarships & fellowships functional class.

As a percentage of total operating expenses, academic support increased by 2.3%, while scholarships and fellowships decreased by 2.0% in fiscal year 2024. Academic support increased as the College has continued investing in personnel, technology, and tools to improve our student retention and completion. Scholarships and fellowships decreased primarily due to the change in accounting estimate for scholarship allowances. With the new scholarship allowance estimate, scholarship allowances increased in fiscal year 2024 while scholarship and fellowships expense decreased. See Note I Section V for more detail on the change in accounting estimate. The other functional expenses did not show a notable change from the prior year.

During fiscal year 2023, as a percentage of total operating expenses, instruction costs increased by 4.0%, institutional support increased by 4.5%, academic support increased by 2.3% while scholarships & fellowships decreased by 11.2%. Instruction, institutional support, and academic support increased as the College invested in the development of faculty, staff, and tools to support instruction. Scholarships & fellowships have fluctuated over the years due to the Federal HEERF support for emergency student grants. In fiscal year 2023, scholarships & fellowships decreased due to HEERF support ending during the year. The other functional expenses did not show a significant change from the prior year.

Operating expenses by source for the year ended June 30, 2024:



Statement of Cash Flows

Another way to assess the financial condition of an institution is to look at the Statement of Cash Flows. Its primary purpose is to provide relevant information about the cash receipts and cash payments of an entity during a period. The Statement of Cash Flows also helps users evaluate:

- an entity's ability to generate future net cash flows from different activities
- its ability to meet its obligations as they come due
- its need for external financing

See the Statement of Cash Flows for details.

Factors Impacting Future Periods

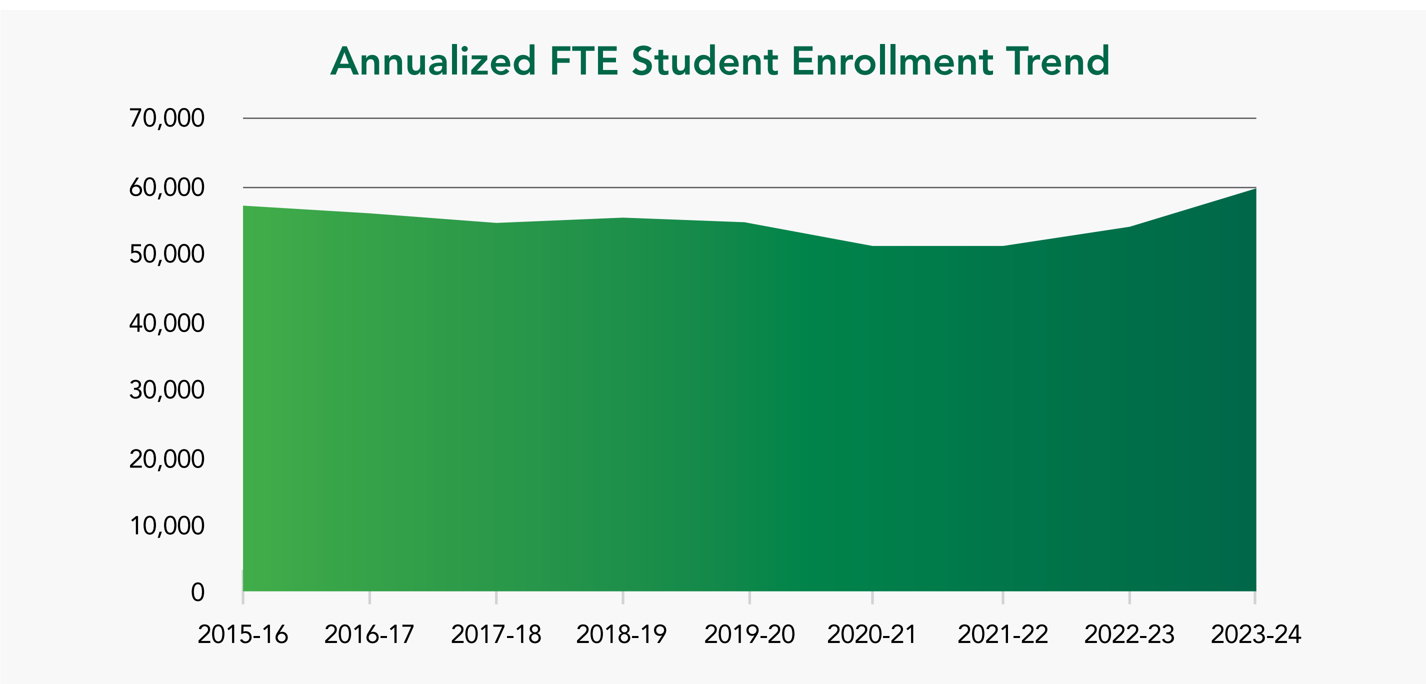
Ivy Tech continues to maintain financial strength and is well positioned to continue to serve the educational and training needs of Hoosiers. Net position continues to grow, and the College consistently operates with a positive adjusted operating margin. Key financial ratios are strong as evidenced by the Higher Learning Commission's financial ratios. Both Standard and Poor's and Fitch Ratings maintain an 'AA+' credit rating for the College's long-term debt.

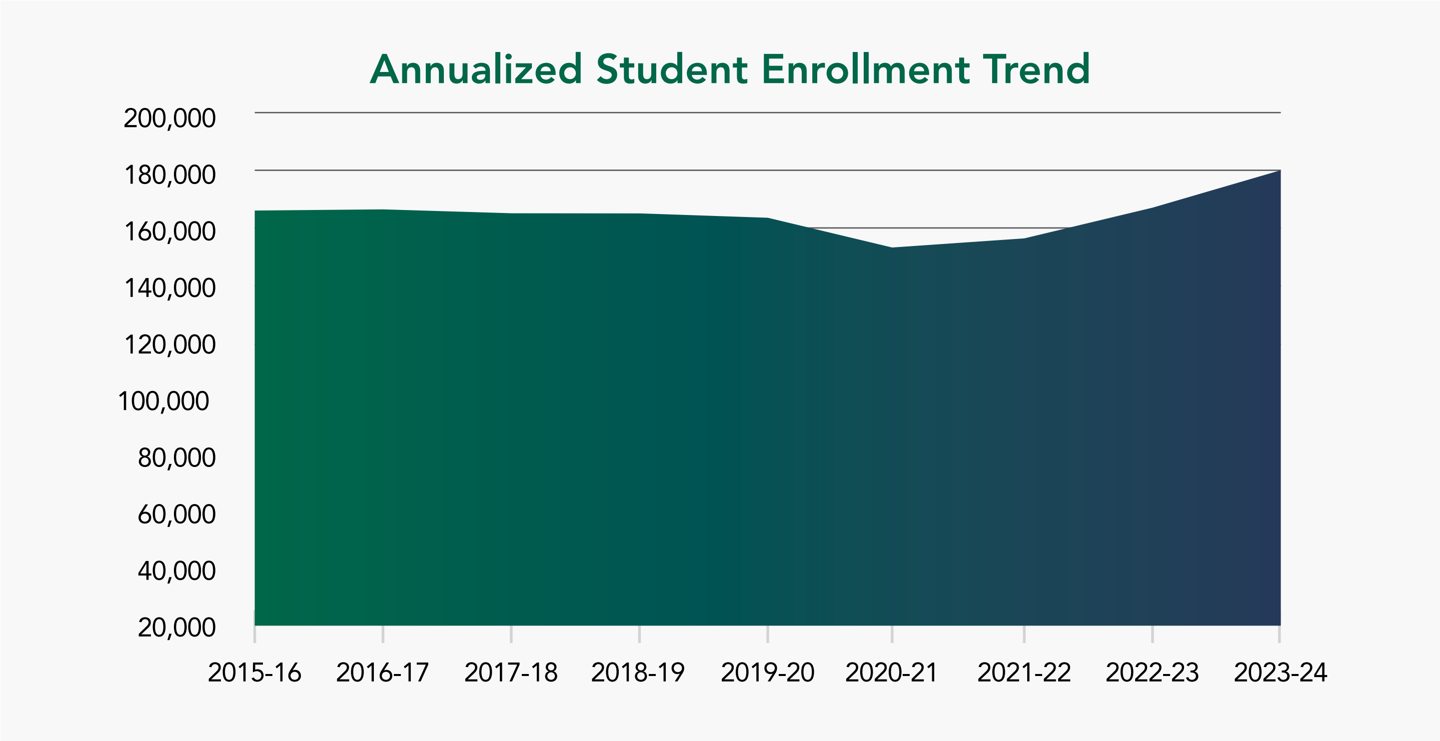
The State of Indiana general fund revenues increased 2.0% compared to the prior year. The State's largest source of revenue – sales and use taxes – decreased 0.9% compared to fiscal year 2023 while individual income tax revenue increased by 6.9%. The State ended fiscal year 2024 with reserves totaling $2.6 billion and a $421.4 million operating surplus. The most recent close-out report published by the State Budget Agency on July 23, 2024, projects a revenue growth rate of 3.6% in fiscal year 2025, a $211.4 million annual surplus for the State of Indiana in 2024-25, and combined balances of $2.3 billion.

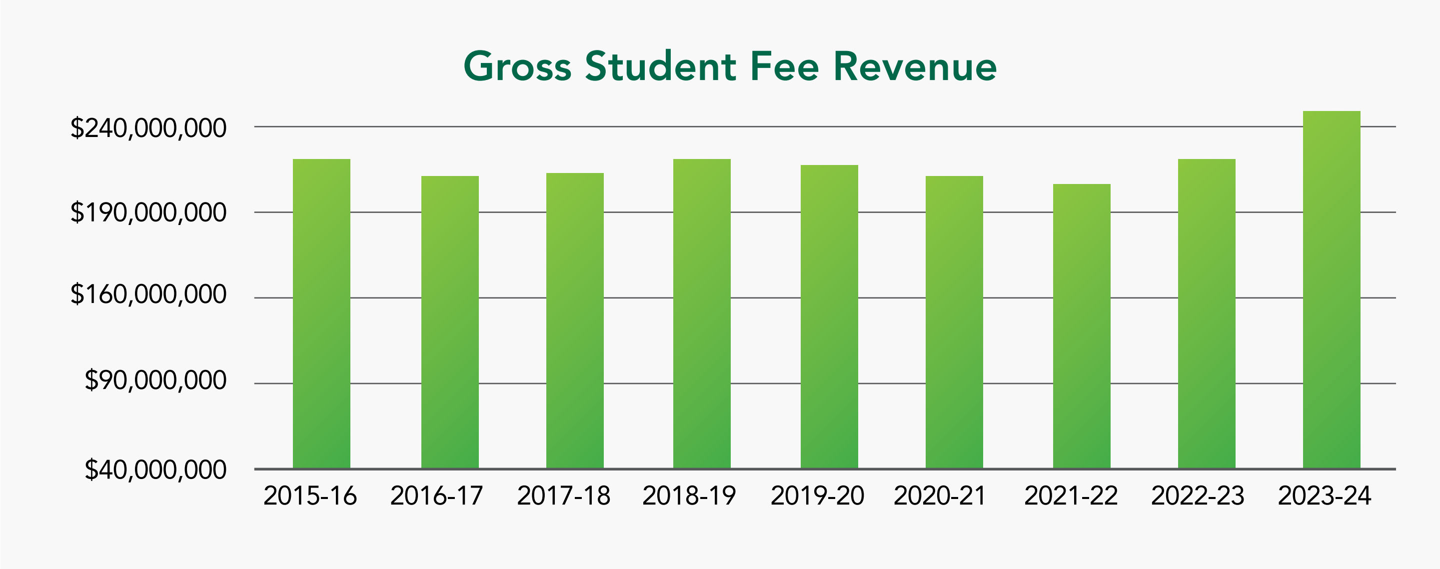
The College received a $20.6 million or 7.4% increase in its State allotment. The Indiana approved budget will increase the State operating allotment by $4.5 million or 1.5% for fiscal year 2025. Additionally, the State appropriated $33 million in cash for a project in Indianapolis.

During the upcoming fiscal year 2025, the College will continue to focus on the College's strategic plan, *Higher Education at the Speed of Life,* which has the following metric goals: reaching 190,000 total enrollment, 50,000 annual completions, 5% increase in student retention, and 60% of graduates earning above median wage. The College finalized the Workday Foundation Data Model/Finance (FDM) and Human Capital Management (HCM) implementations during fiscal year 2023. The College is turning its focus to implementing Workday Student.

Full-time equivalent (FTE) enrollment at Ivy Tech increased to 60,101 by 10.4% in fiscal year 2024 when compared to 2023. Total enrollment has increased by 8.6% to 178,932 this year, continuing enrollment increases after several years of declining enrollment. Historical annual unduplicated headcount and FTE are reflected in the following charts.







Authorized Facilities

In the 2023 General Assembly, no new bonded projects were approved for the fiscal years 2024 and 2025. The State appropriated an all-cash project in Indianapolis for a total of $33 million.

FINANCIAL STATEMENTS

IVY TECH COMMUNITY COLLEGE OF INDIANA AND IVY TECH FOUNDATION, INC.
STATEMENT OF NET POSITION

JUNE 30, 2024

WITH COMPARATIVE FIGURES AT JUNE 30, 2023

	JUNE 30, 2024		JUNE 30, 2023	
ASSETS	COLLEGE	FOUNDATION	COLLEGE	FOUNDATION
Current assets				
Cash and cash equivalents	$66,672,981	$3,363,138	$237,104,842	$2,928,573
Cash with fiscal agent	24,452,046	-	24,256,436	-
Short-term investments	37,304,793	57,017,370	98,171	55,815,986
Accounts receivable	60,774,593	-	49,947,407	-
Allowance for doubtful accounts	(5,797,530)	-	(4,046,209)	-
Promises to give, net	-	14,184,045		13,164,024
Inventories	7,409	-	7,801	-
Prepaid expenses	2,034,266	219,008	3,810,113	233,767
Total current assets	185,448,558	74,783,561	311,178,561	72,142,350
Noncurrent assets				
Deposit with trustee	-	-	162,252	-
Promises to give, net	-	8,896,964	-	13,385,210
Note receivable from bank	-	10,442,150	-	10,442,150
Long-term lease receivable	829,992	-	1,033,683	-
Long-term investments	549,300,945	53,161,502	387,658,592	48,887,080
Capital assets, net	678,535,353	15,635,203	667,759,883	16,769,915
Total noncurrent assets	1,228,666,290	88,135,819	1,056,614,410	89,484,355
TOTAL ASSETS	**1,414,114,848**	**162,919,380**	**1,367,792,971**	**161,626,705**

IVY TECH COMMUNITY COLLEGE OF INDIANA AND IVY TECH FOUNDATION INC.
STATEMENT OF NET POSITION
CONTINUED

Deferred outflows of resources				
Deferred outflows related to pension	2,161,911	-	2,318,432	-
Total deferred outflows of resources	**2,161,911**	**-**	**2,318,432**	**-**
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	40,158,699	533,160	29,314,718	325,265
Compensated absences	10,735,341	-	10,344,442	-
Unearned revenue	18,213,929	-	14,588,587	-
Current portion of debt obligation	30,328,251	92,754	27,871,770	95,058
Total current liabilities	99,436,220	625,914	82,119,517	420,323
Noncurrent liabilities				
Long-term compensated absences	7,008,554	-	6,157,543	-
Long-term debt and other obligations	205,133,664	14,466,078	226,214,740	14,525,993
Other post-employment benefits	39,289,711	-	37,740,235	-
Net pension liability	4,638,604	-	5,177,961	-
Total noncurrent liabilities	256,070,533	14,466,078	275,290,479	14,525,993
TOTAL LIABILITIES	**355,506,753**	**15,091,992**	**357,409,996**	**14,946,316**
Deferred inflows of resources				
Deferred inflows related to leasing	1,014,828	-	1,215,025	-
Deferred inflows related to pension	1,206,920	-	1,701,841	-
Deferred inflows related to OPEB	5,989,671	-	9,135,033	-
Total deferred inflows of resources	**8,211,419**	**-**	**12,051,899**	**-**
NET POSITION				
Net investment in capital assets	386,988,666	-	380,986,490	-
Restricted for:				
Nonexpendable - endowments	-	47,303,390	-	46,108,269
Expendable:				
Capital projects	14,107,350	-	19,917,264	-
Endowment	-	5,858,112	-	2,778,811
Programs & Other	-	67,982,237	-	81,391,845
Unrestricted	651,462,571	26,683,649	599,745,754	16,401,464
TOTAL NET POSITION	**$1,052,558,587**	**$147,827,388**	**$1,000,649,508**	**$146,680,389**

The accompanying notes to the financial statements are an integral part of this statement.

IVY TECH COMMUNITY COLLEGE OF INDIANA AND IVY TECH FOUNDATION INC.
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE PERIOD ENDING JUNE 30, 2024

WITH COMPARATIVE FIGURES AT JUNE 30, 2023

	JUNE 30, 2024		JUNE 30, 2023	
	COLLEGE	FOUNDATION	COLLEGE	FOUNDATION
REVENUES				
Operating Revenues				
Student Tuition and Fees	$250,657,798	$ -	$220,131,684	$ -
Scholarship Allowances	(110,621,259)	-	(80,246,319)	-
Net Student Tuition and Fees	140,036,539	-	139,885,365	-
Federal Grants and Contracts	21,807,161	-	3,551,321	-
State and Local Grants and Contracts	20,661,186	-	28,571,616	-
Nongovernment Grants and Contracts	16,891,407	7,714,053	15,386,285	21,582,057
Sales and Service of Educational Departments	1,997,961	-	2,067,669	-
Auxiliary Enterprises	960,350	673,926	927,997	860,506
Contributions and Other Support	-	14,207,096	-	16,717,586
Other Operating Revenues	6,799,690	432,765	8,519,365	547,589
TOTAL OPERATING REVENUES	**209,154,294**	**23,027,840**	**198,909,618**	**39,707,738**
EXPENSES				
Operating Expenses				
Salaries and Wages	275,449,749	-	263,457,213	-
Benefits	100,777,683	-	94,121,815	-
Foundation Pay and Benefits	-	12,470,752	-	11,369,267
Scholarships and Fellowships	53,419,098	5,037,944	64,258,684	5,255,429
Utilities	11,767,897	257,031	12,956,889	327,240
Supplies and Other Services	157,736,079	2,938,323	139,979,570	1,828,173
Depreciation and Amortization	39,084,382	1,134,712	45,246,979	1,049,974
Other Operating Expenses	-	10,763,883	-	10,399,433
TOTAL OPERATING EXPENSES	**638,234,888**	**32,602,645**	**620,021,150**	**30,229,516**
Operating Income (Loss)	(429,080,594)	(9,574,805)	(421,111,532)	9,478,222

IVY TECH COMMUNITY COLLEGE OF INDIANA AND IVY TECH FOUNDATION INC. STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION CONTINUED

	JUNE 30, 2024		JUNE 30, 2023	
	COLLEGE	FOUNDATION	COLLEGE	FOUNDATION
Nonoperating Revenues (Expenses)				
State Appropriations	300,717,333	-	280,104,501	-
Federal Appropriations	-	-	-	-
Investment Income	34,126,397	10,721,804	12,706,654	6,992,801
Interest on Capital Asset-Related Debt	(5,172,462)	-	(5,765,490)	-
Gain (Loss) on Interest Rate Swap	-	-	-	103,715
Governmental Grants and Contracts-Federal	109,722,291	-	125,759,616	-
Governmental Grants and Contracts-State	35,590,021	-	31,956,039	-
Gain (Loss) on Sale and Disposal of Capital Assets	(71,201)	-	(4,215,653)	380,584
Gain (Loss) on Leases	174,174	-	(24,654)	-
Gifts	1,180,920	-	2,532,774	-
Student Government Support	-	-	8,219	-
NET NONOPERATING REVENUES	**476,267,473**	**10,721,804**	**443,062,006**	**7,477,100**
Income (Loss) Before Other Revenues, Expenses, Gains or Losses	47,186,879	1,146,999	21,950,474	16,955,322
Capital Gifts and Grants	68,500	-	2,929,216	-
Capital Appropriations	4,653,700	-	3,670,577	-
Total Other Revenues and Gains	4,722,200	-	6,599,793	-
INCREASE IN NET POSITION	51,909,079	1,146,999	28,550,267	16,955,322
Net Position - Beginning of Year	1,000,649,508	146,680,389	972,099,241	129,725,067
Net Position - End of Year	**$1,052,558,587**	**$147,827,388**	**$1,000,649,508**	**$146,680,389**

The accompanying notes to the financial statements are an integral part of this statement.

IVY TECH COMMUNITY COLLEGE OF INDIANA
STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDING JUNE 30, 2024

WITH COMPARATIVE FIGURES AT JUNE 30, 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and Fees	$134,702,733	$139,627,766
Gifts, Grants and Contracts	58,978,304	67,302,665
Auxiliary Enterprises	181,533	1,146,098
Sales and Services of Educational Departments	1,993,461	2,067,670
Payments to Suppliers	(156,314,367)	(174,122,478)
Payments to or on Behalf of Employees	(377,287,175)	(367,603,458)
Payments to Students	(53,470,019)	(67,458,541)
Other Receipts (Payments)	6,714,686	8,519,365
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**$(384,500,844)**	**$(390,520,913)**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Federal and State Scholarships & Grants	145,312,312	157,715,654
State Appropriations	300,717,333	280,104,501
Receipts from Direct Federal Loan Proceeds	43,393,254	39,155,098
Payments from Direct Federal Loan Proceeds to Students/Financial Institutions	(43,095,738)	(39,312,389)
Gifts	1,181,949	2,069,514
Other Nonoperating Receipts (Payments)	-	8,219
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	**$447,509,110**	**$439,740,597**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital/Federal Appropriations	4,653,700	3,670,577
Capital Grants/Gifts	68,500	2,805,808
Proceeds from Issuance of Capital Debt	-	-
Purchase of Capital Assets	(51,012,001)	(34,454,070)
Proceeds from Sale of Capital Assets	-	786,838
Principal Paid on Capital-Related Debt	(17,953,106)	(22,182,255)
Interest Paid on Capital-Related Debt	(4,627,745)	(9,363,148)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	**$(68,870,652)**	**$(58,736,250)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(198,848,976)	46,685,478
Proceeds from Sales and Maturities of Investments	-	(7,906,872)
Income on Investments	34,312,859	12,805,978
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	**$(164,536,117)**	**$51,584,584**

IVY TECH COMMUNITY COLLEGE OF INDIANA
STATEMENT OF CASH FLOWS
CONTINUED

	2024	2023
Net Increase (Decrease) in Cash	**(170,398,503)**	**42,068,018**
Cash and Cash Equivalents - Beginning of Year	261,523,530	219,455,512
Cash and Cash Equivalents - End of Year	$91,125,027	261,523,530
CASH AND CASH EQUIVALENTS-END OF YEAR AS PRESENTED IN STATEMENT OF NET POSITION		
Cash and cash equivalents (current)	66,672,981	237,104,842
Cash and cash equivalents - Cash with fiscal agent (current)	$24,452,046	24,256,436
Cash and cash equivalents - Deposit with trustee (non-current)	-	162,252
CASH AND CASH EQUIVALENTS-END OF YEAR	**$91,125,027**	**$261,523,530**
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Net Operating Income (Loss)	(429,080,594)	(421,111,532)
Adjustments to reconcile net operating expenses to cash used by operating activities:		
Depreciation and Amortization	39,084,382	45,246,979
Intercompany	(3,215)	-
Changes in Assets and Liabilities:		
Allowance for Doubtful Accounts	1,751,321	1,702,077
Deferred Outflow - Pension & OPEB	156,521	(83,492)
Deferred Inflow - Pension & OPEB	(3,640,283)	(5,896,408)
Account Receivable	(12,847,684)	17,163,590
Prepaid Expense	1,775,847	1,088,472
Inventories	392	(3,088)
Accounts Payable and Accrued Liabilities	12,425,098	(31,612,410)
Net Pension Liability	(539,357)	2,583,899
Other Post Employment Benefits	1,549,476	-
Compensated Absences	1,241,910	(500,800)
Unearned Revenue	3,625,342	901,800
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**$(384,500,844)**	**$(390,520,913)**
SIGNIFICANT NONCASH TRANSACTIONS		
Donated assets		
Unrealized gain/(loss) on investments	8,058,802	(10,154,051)
Right-to-use leased assets additions	10,331,396	2,374,864
Right-to-use subscriptions additions	5,142,920	33,744,433

The accompanying notes to the financial statements are an integral part of this statement.

IVY TECH COMMUNITY COLLEGE OF INDIANA NOTES TO FINANCIAL STATEMENTS

June 30, 2024

I. Summary of Significant Accounting Policies

A. Organization

Ivy Tech Community College of Indiana (Ivy Tech) serves the people of Indiana through accessible and affordable world-class education and adaptive learning. The College empowers students to achieve their career and transfer aspirations. Ivy Tech embraces the vision of economic transformation inspired by the education and earnings attainment of Indiana's citizens, the vitality of the workforce, and the prosperity of Indiana's unique and diverse communities. The Indiana General Assembly through IC 20-12-61-2 established Ivy Tech in 1963. In 2005, the General Assembly adopted Senate Bill 296, which broadened the institution's mission to include serving as the State's community college system. Ivy Tech is governed by a board of trustees, composed of 15 members, appointed by the governor. According to Indiana law, each Trustee must have knowledge or experience in one or more of the following areas: manufacturing, commerce, labor, agriculture, State and regional economic development needs, and/or Indiana's educational delivery system. Appointments are made for three-year terms on a staggered basis. Ivy Tech has over 45 locations across the State of Indiana. The President's office and other statewide administrative offices are located in Indianapolis, Indiana.

B. Basis of Presentation

The College's financial statements have been prepared in accordance with generally accepted accounting principles accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB). The College follows all applicable GASB pronouncements. The College's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Eliminations have been made to prevent the double counting of internal activities.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

With the implementation of GASB Statement No. 35 *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities,* Ivy Tech is considered a special purpose government. The College has elected to report as a business type activity using proprietary fund accounting and financial reporting model. The College is a component unit of the State of Indiana.

As such, there is a close relationship between the College and the State of Indiana. The College receives appropriations, program approvals and grants from the State.

The financial statements have been prepared to incorporate all fund groups utilized internally by Ivy Tech. These statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by GASB Statements No. 34 and 35. These Statements require the College to report revenues net of discounts and allowances. The following components of the College's financial statements are also required by GASB Statements No. 34 and 35:

- Management's Discussion and Analysis
- Basic financial statements including a Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows for the College as a whole
- Notes to the financial statements

C. Discretely Presented Component Unit

Ivy Tech Foundation (the Foundation) was incorporated on June 9, 1969, under The Indiana Foundations and Holding Companies Act of 1921 as a corporation organized exclusively for charitable, educational, and scientific purposes. The Foundation, whose principal activity is to promote educational, scientific, and charitable purposes in connection with or at the request of Ivy Tech Community College (the College), commenced its financial activities with the receipt of various unrestricted contributions in October 1970 and recorded $25.7 million of expenditures assisting the College during fiscal year 2024. The Foundation currently operates under the Indiana Nonprofit Corporations Law of 1971 as amended, which is codified as IC 23-17. As required by the GASB Statement No. 39 *Determining Whether Certain Organizations Are Component Units* and GASB Statement No. 61 *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, the audited financial statements of the Foundation are discretely presented with the College's financial statements. The Foundation's fiscal year reporting period is from July 1 through June 30. Further information regarding the Foundation may be obtained at Ivy Tech Foundation; 50 West Fall Creek Parkway Drive North, Indianapolis, IN 46208-5752 or https://giving.ivytech.edu/.

The Foundation is a nonprofit organization that reports under the provisions of Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities.* As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition and presentation features. The Foundation's financial statements are prepared in accordance with generally accepted accounting principles as prescribed by the Financial Accounting Standards Board (FASB). With the exception of necessary presentation adjustments, no modifications have been made to the Foundation's financial information in the College's financial report for these differences.

D. Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash (in banks and on hand) and investments with maturity dates of 0-90 days from date of purchase. The College considers cash with fiscal agent and deposit with trustee as cash equivalents for the purposes of the Statement of Cash Flows.

E. Investments

Investments are stated at fair value, based on quoted market prices or other observable inputs and may not be indicative of net realizable value or reflective of future fair value.

F. Scholarship and Other Allowances

Student tuition and fees are reported net of the scholarship discounts and allowance in the Statement of Revenues, Expenses and Changes in Net Position. Scholarship allowance is the difference between the stated charge for goods and services provided by the College and the amount that is billed to students and/or third parties making payments on behalf of students. The College also establishes an allowance for doubtful accounts in the Statement of Net Position to reflect receivables that are likely to be uncollectible.

G. Inventories

Inventories are valued at cost using First-In-First-Out (FIFO) methodology.

H. Prepaid Expenses

Prepaid expenses primarily represent cash payments made in advance of when the related expenditures are recognized for financial statement purposes.

I. Capital Assets

The College's capitalization threshold is defined as any non-expendable item, or group of items making up one unit, with a useful life of more than one year, and a unit acquisition cost of $3,000 or more. Library books costing $35 or more are generally capitalized as a group, with the details maintained and updated periodically as new acquisitions are made or other items are removed.

College capital equipment, facilities and improvements are depreciated on a straight-line basis dividing the cost of the asset by the appropriate useful life. Right-to-use leased assets are amortized on a straight-line basis over the shorter of the useful life of the asset or the non-cancellable term of the lease agreement, whichever is shorter.

Land Improvements	10 years
Buildings	25-88 years
Building Improvements	20-40 years
Furniture, Fixtures, and Equipment	3-8 years
Library Books and Materials	5 years
Right-to-use Assets	Shorter of the useful life of the asset or the non-cancelable term of the agreement

Ivy Tech has a minimal amount of infrastructure assets that are components of buildings or land improvements and are depreciated accordingly.

J. Leases

Lessee: The College is the lessee for various noncancelable leases of equipment, buildings, and land. As the lessee, the College recognizes a lease liability and an intangible Right-to-use lease asset (lease asset) in the statement of net position. The College recognizes lease assets and liabilities with an initial value of $3,000 or more.

At the commencement of the lease, the College initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the leased asset is amortized on a straight-line basis over its useful life or the non-cancelable lease term, whichever is shorter.

Key estimates and judgments related to leases include how the College determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The College uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the College uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the College is reasonably certain to exercise.

The College monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

Lessor: The College is the lessor for various noncancelable leases of buildings, equipment, and land. The College recognizes a lease receivable and a deferred inflow of resources in the Statement of Net Position.

At the commencement of the lease, the College initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the College determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) the lease term, and (3) lease receipts.

- The College uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease.
- Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The College monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

K. Subscription-Based Information Technology Arrangement (SBITA)

The College obtains the right-to-use vendors' information technology software through various long-term contracts. The College recognizes a subscription liability and an intangible Right-of-use (ROU) subscription asset (the "subscription asset") in the Statement of Net Position. The College recognizes subscription assets and liabilities with an initial value of $3,000 or more.

At the commencement of a subscription, the College initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus initial implementation costs. Subsequently, the subscription asset is depreciated on a straight-line basis over its useful life.

Key estimates and judgments related to subscriptions include how the College determines the discount rate it uses to discount the expected subscription payments to present value and the subscription term.

The College uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the College uses its estimated incremental borrowing rate as the discount rate for subscriptions.

The subscription term includes the noncancelable period of the subscription.

The College monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets, and subscription liabilities are reported with long-term debt on the Statement of Net Position.

For contracts that are fully paid at the beginning of the contract term, the College recognizes a subscription asset and no corresponding liability. This is consistent with GASB 96's methodology to measure a subscription liability at the present value of subscription payments expected to be made during the subscription term. Since no more payments are expected to be made during the remaining terms of the software, only the ROU assets will be recorded and amortized over the remaining course.

L. Deferred Outflows of Resources

A deferred outflow of resources is a consumption of net position by the College that is applicable to a future reporting period and is reported in a separate section in the Statement of Net Position. Recognition of deferred outflows of resources is limited to those instances identified by the GASB in authoritative pronouncements. The deferred outflow of resources consists of resources related to the College's defined benefit pension plan and if applicable, the College's other postemployment benefits plan.

M. Compensated Absences

Liabilities for compensated absences are recorded for employees' eligible vacation time and sick leave as of June 30, 2024. Accrued time for vacation and sick leave vests to a maximum and is equal to the amount accrued during the preceding 18 months. Unused vacation time is paid out upon termination regardless of age or years of service. Employees may accrue up to 320 hours of vacation time and the College has capped the maximum terminal vacation payout at 240 hours. Accrued vacation liability is calculated using the maximum payout of 240 hours.

The sick leave maximum is equal to 1,056 hours. Employees hired on or before December 31, 2019, are eligible to have their unused sick leave paid out upon retirement if the employee's age is at least fifty-five years and their age plus years of service equal seventy-five or more. Employees hired on or after January 1, 2020, are not eligible for the program. Employees eligible for this benefit are paid at a rate of one-half the accumulated time up to an accumulated maximum of 100 days.

N. Unearned Revenues

Unearned revenue is recorded for cash receipts of student tuition and fees as well as grant and contract receipts that will be recorded as revenue in a future period.

O. Net Pension Liability and Related Items

The College participates in the State of Indiana's Public Employee Retirement Fund (PERF) for full-time support employees hired prior to July 1, 2014. Net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense are reported based on the College's allocation provided by PERF and reported in conformance with GASB Statement No. 68.

P. Other Postemployment Liability and Related Items

The College's other postemployment benefits plan (OPEB) consists of two tiers: a regular other postemployment benefits plan and a 75-plan available to eligible retirees. Other postemployment benefits liability, deferred inflows of resources related to OPEB, and OPEB expense are reported based on an actuarial report for the College's plan and reported in conformance with GASB Statement No. 75.

Q. Deferred Inflow of Resources

A deferred inflow of resources is the acquisition of net position by the College that is applicable to a future reporting period and is reported in a separate section in the Statement of Net Position. Recognition of deferred inflows of resources is limited to those instances identified by the GASB in authoritative pronouncements. The deferred inflow of resources consists of resources related to lease agreements in which the College is the lessor, the College's defined benefit pension, and other postemployment benefits plans.

R. Net Position

The College's net position is classified into three categories for financial reporting purposes:

- **Net investment in capital assets** represents the College's capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.
- **Restricted - expendable net position** represents resources which are to be used in accordance with restrictions imposed by an external party. The College restricted - expendable net position is restricted for capital projects.
- **Unrestricted net position** is not subject to external restrictions and may be spent at the discretion of the State Board of Trustees for the programs and initiatives, capital purposes, and overall operations of the College.

S. Restricted and Unrestricted Resources

If both restricted and unrestricted resources are to be expended for the same purpose or project, the determination of the portion of the expenses paid from the restricted sources are made on a case-by-case basis.

T. Operating and Nonoperating Revenues and Expenses

Operating revenues are generated by the primary activities of the College and consist of tuition and fees, non-financial aid grants and contracts, sales and services of educational activities, and bookstore commission revenues. Transactions related to financial aid grants, capital and related financing activities, non-capital financing activities, investing activities, State appropriations, and gifts are components of nonoperating income. Operating expenses are incurred in carrying out the College's day-to-day activities and consist of salaries and wages, fringe benefits, scholarships and fellowships, utilities, supplies and other services, and depreciation. Nonoperating expenses consist of interest on capital asset related debt and student government support.

U. Upcoming & Adopted Pronouncements

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*, which enhances the accounting and reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions and assessing accountability. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. The provisions of this statement are effective for the College's financial statements for the year ending June 30, 2024. Refer to Note I Section V for details on the change in accounting estimates for Ivy Tech during the fiscal year.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the College's financial statements for the year ending June 30, 2025.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*, which updates the requirements for disclosing essential information about risks related to vulnerabilities due to certain concentrations or constraints. This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. The provisions of this statement are effective for the College's financial statements for the year ending June 30, 2025.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*, which improves the key components of the financial reporting model to clarify information needed for decision making and assessing a government's accountability. This Statement also addresses certain issues associated with applying GASB statements. The provisions of this statement are effective for the College's financial statements for the year ending June 30, 2026.

V. Change in Accounting Estimate

Scholarship Allowances

For the fiscal year ended June 30, 2024, the College adopted a new method of estimating scholarship allowances. NACUBO no longer endorses the Alternative Method of calculating the estimated allowance which has been used by the College previously. NACUBO now endorses four options for this estimate. The College adopted the Method A – detail by student by term option. This new calculation option is possible due to the College's ability to access better underlying data at the individual student level compared to the previous calculation which used collective totals. This change in estimate provides a more accurate breakdown of scholarship allowances and student aid applied to each student account. This change impacts the following lines on the Statement of Revenues, Expenses, and Changes in Net Position: scholarship allowances and scholarships and fellowships. Changes in accounting estimates are reported prospectively by recognizing the change in the current period. This change in accounting estimate does not impact the change in net position for prior years.

Capital Asset Useful Life

For the fiscal year ended June 30, 2024, the College adopted a new method of estimating the useful life for building, building improvement, and land improvement capital assets. Ivy Tech has historically depreciated buildings over a useful life of 40 years and building improvements over the remaining life of the building. After analyzing the useful life of the College's buildings and building improvements and consulting with an engineering firm as part of Ivy Tech's Statewide Facility Master Plan, it was determined that updating their useful life was necessary to better reflect the usage of the assets over time. The useful life of Ivy Tech buildings and improvements were updated as follows:

Asset Type	Original Useful Life	New Useful life
Constructed Buildings	40 years	25-88 years based on the building's primary material type
Acquired/Purchased Buildings	40 years	25-40 years based on the building's primary material type
Building Improvements	Remaining Life of the Improvements Primary Asset	20 years
Building Additions > $1.5M	Remaining Life of the Improvements Primary Asset	20-40 years based on the scope of the addition
Land Improvements	Remaining Life of the Improvements Primary Asset	10 years

This change impacts the following lines on the Statement of Revenues, Expenses, and Changes in Net Position: Depreciation and Amortization and the Statement of Net Position: Capital Assets, net and Net Investment in capital assets. Changes in accounting estimates are reported prospectively by recognizing the change in the current period. This change in accounting estimate does not impact the change in net position for prior years.

II. Deposits and Investments

Indiana Code Title 21, Article 22, Chapter 4, Section 4 provides authorization for investment activity. IC 30-4-3.5 (Indiana Prudent Investor Act) requires the State Board of Trustees to act "as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the trust. In satisfying this standard, the trustee shall exercise reasonable care, skill, and caution." The trustees have the responsibility to ensure the assets are prudently invested in a manner consistent with the College's investment policy. The Board has delegated the day-to-day responsibilities for overseeing the investment program to the Sr. Vice President, Chief Financial Officer, and Treasurer.

The College's current investment policy was approved by the Board of Trustees in February 2023. The overall investment allocation is designed in accordance with the College's Investment Philosophy and Objectives, and the portfolio shall maintain a prudently diversified investment portfolio. The investment structure is divided into liquidity tiers to provide for income maximization while meeting the daily liquidity requirements of the College.

Authorized investments include certificates of deposit, interest-bearing deposit accounts, U.S. Government Treasury securities, U.S. Government agency securities, repurchase agreements, commercial paper, money market accounts, investment grade corporate bonds and notes, municipal bonds, asset and mortgage-backed securities, and pooled fixed income bonds.

Classification	2024	2023
Cash and cash equivalents	$66,672,981	$237,104,842
Cash with fiscal agent	24,452,046	24,256,436
Short-term investments	37,304,793	98,171
Deposit with trustee	-	162,252
Long-term investments	549,300,945	387,658,592
Total cash and investments	**$677,730,765**	**$649,280,293**

Type	2024	2023
Cash	$ 24,484,535	$ 24,725,640
Demand Deposits	56,598,227	77,156,452
Investment Manager Cash and Cash Equivalents	10,042,264	159,641,439
Fixed income investments	586,605,739	387,756,762
Total cash and investments	**$677,730,765**	**$649,280,293**

A. Fair value measurement

Ivy Tech's investment portfolio is a source of funds for current and future operations of the College. GASB Statement No. 72, *Fair Value Measurement & Application*, states that investments must be measured at fair value.

There are 3 levels of measuring fair value. Level 1 consists of quoted prices for identical assets or liabilities in an active market at the measurement date. Level 2 are prices other than those included within Level 1 that are observable, directly or indirectly, and consist of quoted prices for similar assets or liabilities in active or non-active markets. Level 3 are significant, unobservable inputs.

The market approach valuation technique was used. Publicly traded assets are valued in accordance with market quotation and valuation services provided by the College's investment custodian. Assets are those that are not publicly traded and are valued based on other external sources or valuations provided by the College's investment custodian. The following chart provides the methodology and hierarchy level for each type of the College's assets.

Asset Type	Source(s)	Methodology	Hierarchy Level
Money Market Mutual Funds	Not applicable	$1 per share	2
Commercial Paper-Discounted	U.S. Bank Pricing Unit	Matrix pricing	2
U.S. Treasury Obligations	FT Interactive Data, Standard & Poor's, or Bloomberg	Institutional bond quotes	1
U.S. Government Agency Obligations	FT Interactive Data, Standard & Poor's, or Bloomberg	Institutional bond quotes	2
U.S. Government Agency Mortgage-Backed Pools	FT Interactive Data, Standard & Poor's, or Bloomberg	Mortgage-backed securities pricing	2
Government Agency REMICS	FT Interactive Data, Standard & Poor's, or Bloomberg	Collateralized mortgage obligation source	2
Corporate Bonds	FT Interactive Data, Standard & Poor's, or Bloomberg	Institutional bond quotes	2
Corporate Paydown Securities	FT Interactive Data, Standard & Poor's, or Bloomberg	Collateralized mortgage obligation source	2
Municipal Bonds	Standard & Poor's, FT Interactive Data, or Bloomberg	Evaluations based on various market and industry inputs	2
Foreign Bonds	FT Interactive Data—Extel Financial Ltd, Standard & Poor's, or Bloomberg	Evaluations based on various market factors	2
Pooled Fixed Income Bond	FT Interactive Data—Extel Financial Ltd, Standard & Poor's, or Bloomberg	Evaluations based on various market factors	2

As of June 30, 2024, the College's investment portfolio unrealized gain was $8.1 million for the year. Based on the criteria outlined by GASB Statement No. 72, the breakdown by level of the College's investment portfolio is as follows:

	Fair Value	Level 1	Level 2	Level 3	Cash and Accrual
Demand Deposits	$56,598,227	$ -	$ -	$ -	$56,598,227
Investment Manager Cash & Cash Equivalents	10,042,264	5,246,881	4,764,746	-	30,637
U.S. Treasury & Agencies	118,912,890	74,555,342	43,148,758	-	1,208,790
Agency Backed Mortgages	60,503,038	-	60,194,862	-	308,176
Corporate Bonds & Notes	138,012,741	-	136,389,217	-	1,623,524
Structured Securities	72,400,210	-	72,225,451	-	174,759
Foreign Bonds (in U.S. dollars)	13,573,047	-	13,428,236	-	144,811
Municipal Bonds	30,091,463	-	29,798,016	-	293,447
Pooled Fixed Income Bonds	153,112,349	-	153,112,349	-	-
Total	**$653,246,229**	**$79,802,223**	**$513,061,635**	**$-**	**$60,382,371**

As of June 30, 2023, the College's investment portfolio unrealized loss was $10.2 million for the year. Based on the criteria outlined by GASB Statement No. 72, the breakdown by level of the College's investment portfolio is as follows:

	Fair Value	Level 1	Level 2	Level 3	Cash and Accrual
Demand Deposits	$77,156,452	$ -	$ -	$ -	$77,156,452
Investment Manager Cash & Cash Equivalents	159,641,439	158,803,826	511,111	-	326,502
U.S. Treasury & Agencies	112,491,247	89,648,294	22,291,607	-	551,346
Agency Backed Mortgages	26,627,438	-	26,543,851	-	83,587
Corporate Bonds & Notes	129,001,592	-	127,854,809	-	1,146,783
Structured Securities	65,329,833	-	65,223,879	-	105,954
Foreign Bonds (in U.S. dollars)	28,686,948	-	28,479,595	-	207,353
Municipal Bonds	25,619,704	-	25,427,574	-	192,130
Total	**$624,554,653**	**$248,452,120**	**$296,332,426**	**$ -**	**$79,770,107**

Separately issued financial statements are not available for the College's investment portfolio. The College's investments are included in the cash and equivalents and investment lines of the Asset section in the Statement of Net Position.

B. Interest Rate Risk

Interest rate risk refers to the fact that changes in market interest rates may adversely affect the fair value of an investment. Generally, the longer the maturity of the investment, the greater the sensitivity of its fair value to changes in market interest rate. One of the ways that the College and its investment managers manage its exposure to interest rate risk is by limiting maturities and ensuring the total portfolio is properly diversified among shorter-term and longer-term investments.

Information about the sensitivity of the fair values of the College's investments to market interest rate fluctuations is provided by the following table showing the distribution of Ivy Tech's investments by maturity, as of June 30, 2024:

	Fair Value	<1 Year	1-5 Years	6-10 Years	More than 10 Years
Demand Deposits	$56,598,227	$56,598,227	$ -	$ -	$ -
Certificates of Deposit	-	-	-	-	-
Investment Manager Cash & Cash Equivalents	10,042,264	10,042,264	-	-	-
U.S. Treasury & Agencies	118,912,890	3,618,890	62,962,135	17,955,690	34,376,175
Agency Backed Mortgages	60,503,038	2,907,192	7,632,168	9,027,843	40,935,835
Corporate Bonds & Notes	138,012,741	22,095,417	67,652,332	37,807,875	10,457,117
Structured Securities	72,400,210	284,215	26,907,420	16,336,828	28,871,747
Foreign Bonds (in U.S. dollars)	13,573,047	3,172,639	8,666,732	1,733,676	-
Municipal Bonds	30,091,463	5,226,440	19,716,124	2,942,818	2,206,081
Pooled Fixed Income Bonds	153,112,349	-	153,112,349	-	-
Total	**$653,246,229**	**$103,945,284**	**$346,649,260**	**$85,804,730**	**$116,846,955**

Information about the sensitivity of the fair values of the College's investments to market interest rate fluctuations is provided by the following table showing the distribution of Ivy Tech's investments by maturity, as of June 30, 2023:

	Fair Value	<1 Year	1-5 Years	6-10 Years	More than 10 Years
Demand Deposits	$77,156,452	$77,156,452	$ -	$ -	$ -
Certificates of Deposit	-	-	-	-	-
Investment Manager Cash & Cash Equivalents	159,641,439	159,641,439	-	-	-
U.S. Treasury & Agencies	112,491,247	-	93,286,975	9,537,790	9,666,482
Agency Backed Mortgages	26,627,438	98,171	2,613,852	3,637,394	20,278,021
Corporate Bonds & Notes	129,001,592	-	109,801,297	13,287,093	5,913,202
Structured Securities	65,329,833	-	22,820,460	18,657,546	23,851,827
Foreign Bonds (in U.S. dollars)	28,686,948	-	25,039,366	3,647,582	-
Municipal Bonds	25,619,704	-	21,608,524	4,011,180	-
Total	**$624,554,653**	**$236,896,062**	**$275,170,474**	**$52,778,585**	**$59,709,532**

C. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As of June 30, 2024, College investments had debt securities with associated credit ratings based on Moody's Investors Service as shown below.

	Fair Value	AAA	Aa and A*	Baa	Ba and B*	Caa	MIG	Cash & Short-Term Liquid Investments	Not Rated
Demand Deposits	$ 56,598,227	$-	$-	$-	$-	$-	$ -	$-	$56,598,227
Certificates of Deposit	-	-	-	-	-	-	-	-	-
Investment Manager Cash & Cash Equivalents	10,042,264	-	-	-	-	-	-	10,042,264	-
U.S. Treasury & Agencies	118,912,890	114,585,287	-	-	-	-	-	-	4,327,603
Agency Backed Mortgages	60,503,038	3,418,823	-	-	-	-	-	-	57,084,215
Corporate Bonds & Notes	138,012,741	5,627,330	63,379,591	54,061,572	1,640,409	-	-	-	13,303,839
Structured Securities	72,400,210	32,208,379	8,162,160	782,359	-	-	-	-	31,247,312
Foreign Bonds (in U.S. dollars)	13,573,047	3,049,641	5,757,625	3,817,881	-	-	-	-	947,900
Municipal Bonds	30,091,463	2,678,645	18,077,888	126,494	-	-	-	-	9,208,436
Pooled Fixed Income Bonds	153,112,349	-	-	-	-	-	-	-	153,112,349
Total	**$653,246,229**	**$161,568,105**	**$95,377,264**	**$58,788,306**	**$1,640,409**	**$ -**	**$ -**	**$10,042,264**	**$325,829,881**
As a percentage of total portfolio		24.7%	14.6%	9.0%	0.3%	0.0%	0.0%	1.5%	49.9%

As of June 30, 2023, College investments had debt securities with associated credit ratings based on Moody's Investors Service as shown below.

	Fair Value	AAA	Aa and A*	Baa	Ba and B*	Caa	MIG	Cash & Short-Term Liquid Investments	Not Rated
Demand Deposits	$77,156,452	$ -	$ -	$ -	$ -	$ -	$ -	$77,156,452	$ -
Certificates of Deposit	-	-	-	-	-	-	-	-	-
Investment Manager Cash & Cash Equivalents	159,641,439	-	-	-	-	-	-	159,641,439	-
U.S. Treasury & Agencies	112,491,247	107,738,057	-	-	-	-	-	-	4,753,190
Agency Backed Mortgages	26,627,438	1,060,559	-	-	-	-	-	-	25,566,879
Corporate Bonds & Notes	129,001,592	4,176,764	60,357,992	52,092,425	1,252,661	-	-	-	11,121,750
Structured Securities	65,329,833	36,938,820	3,521,992	75,573	-	-	-	-	24,793,448
Foreign Bonds (in U.S. dollars)	28,686,948	3,334,976	18,179,374	5,671,496	120,420	-	-	-	1,380,682
Municipal Bonds	25,619,704	1,021,023	15,121,579	122,761	-	-	-	-	9,354,341
Total	**$624,554,653**	**$154,270,199**	**$97,180,937**	**$57,962,255**	**$1,373,081**	**$-**	**$-**	**$236,797,891**	**$76,970,290**
As a percentage of total portfolio		24.7%	15.6%	9.3%	0.2%	0%	0%	37.9%	12.3%

D. Concentration of Credit Risk

In the allocation of assets, diversification of investments among asset classes that are not similarly affected by economic, political, or social developments is a highly desirable objective of credit risk. The College's target allocation is broken down into three tiers, Tier 1 through Tier 3. The tiers have separate objectives. Tier 1 is held for liquidity and to meet operating needs. Tier 2 is held for contingency reserves. Tier 3 is held for the total return. The minimum target allocations for these tiers is $50 million for Tier 1, $30 million for Tier 2, and Tier 3 will hold the remaining balance. Most of the College's investments are held in Tier 3.

The financial institutions that hold five percent (5%) or more of the College's investments as of June 30, 2024:

Name of Institution	Amount	Percentage
Fifth Third Bank	$51,009,133	7.8%

The financial institutions that hold five percent (5%) or more of the College's investments as of June 30, 2023:

Name of Institution	Amount	Percentage
Fifth Third Bank	$57,074,245	9.1%

E. Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The College manages custodial credit risk through the types of investments that are allowed by the Investment Policy. As of June 30, 2024, and June 30, 2023, Ivy Tech deposits with financial institutions held in uncollateralized accounts are insured up to $250,000 by the FDIC and in excess of $250,000 by the Indiana Public Deposits Insurance Fund.

F. Foreign Currency Risk

As of June 30, 2024, and June 30, 2023, all of the College's accounts are in U.S. dollars and not exposed to foreign currency risk.

G. Foundation Investments

Types of investments held by the College's Foundation, a component unit, are authorized by the Foundation's Board of Trustees. They include a broader selection of investments including domestic equities, international equities, corporate bonds, mutual funds, certain types of alternative investments (hedge funds, REITS, commodities), certificates of deposit, money market accounts, interest-bearing demand deposits insured by FDIC, commercial paper, donated real and personal property, and U.S. Government notes, bills, bonds, and agencies.

FEDERAL DIRECT LENDING PROGRAM

The College distributed $43.1 million and $39.3 million for student loans through the U.S. Department of Education federal direct lending program for the years ended June 30, 2024 and 2023, respectively. These distributions and the related funding sources are included as cash disbursements and cash receipts in the accompanying Statement of Cash Flows.

III. Capital Assets

Property, buildings, and equipment are stated at cost on the date of acquisition or at fair market value at the time of donation. Assets used by the College subject to capital lease obligations are recorded at the net present value of the minimum lease payments of the asset at the lease's inception.

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	FY-Additions	FY-Retirements	Ending Balance
Capital assets not being depreciated:				
Land	$31,248,943	$66,434	$1,000	$31,314,377
Construction work in progress	14,720,931	51,406,537	28,539,632	37,587,836
Total capital assets not being depreciated	**45,969,874**	**51,472,971**	**28,540,632**	**68,902,213**
Capital assets being depreciated:				
Land improvements & infrastructure	41,491,389	263,153	931,547	40,822,995
Buildings	935,160,844	8,305,576	-	943,466,420
Furniture, fixtures & equipment	107,636,349	10,872,737	6,641,466	111,867,620
Library materials	3,638,684	19,594	4,540	3,653,738
Right-to-use leased equipment	1,811,966	9,804,080	684	11,615,362
Right-to-use leased buildings	7,104,651	527,316	3,138,404	4,493,563
Right-to-use leased land	613,175	-	-	613,175
Right-to-use subscription	45,537,589	5,142,920	1,633,242	49,047,267
Total capital assets being depreciated	**1,142,994,647**	**34,935,376**	**12,349,883**	**1,165,580,140**
Less accumulated depreciation and amortization:				
Land improvements & infrastructure	28,194,095	2,136,980	428,320	29,902,755
Buildings	389,383,613	28,980,114	5,241,491	413,122,236
Furniture, fixtures & equipment	92,197,896	5,115,917	1,930,104	95,383,709
Library materials	3,510,078	55,755	3,656	3,562,177
Right-to-use leased equipment	209,105	1,076,334	684	1,284,755
Right-to-use leased buildings	1,989,527	675,707	1,206,489	1,458,745
Right-to-use leased land	53,537	18,235	-	71,772
Right-to-use leased subscription	5,666,787	6,976,915	1,482,851	11,160,851
Total accumulated depreciation	**521,204,638**	**45,035,957**	**10,293,595**	**555,947,000**
Total capital assets being depreciated, net	**621,790,009**	**(10,100,581)**	**2,056,288**	**609,633,140**
Capital assets, net	**$667,759,883**	**$41,372,390**	**$30,596,920**	**$678,535,353**

Capital asset activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	FY-Additions	FY-Retirements	Ending Balance
Capital assets not being depreciated:				
Land	$31,253,540	$ -	$4,597	$31,248,943
Construction work in progress	11,173,878	9,704,104	6,157,051	14,720,931
Total capital assets not being depreciated	**42,427,418**	**9,704,104**	**6,161,648**	**45,969,874**
Capital assets being depreciated:				
Land improvements & infrastructure	39,422,786	2,091,967	23,364	41,491,389
Buildings	924,961,456	14,017,235	3,817,847	935,160,844
Furniture, fixtures & equipment	104,496,250	9,270,040	6,129,941	107,636,349
Library materials	3,798,969	35,681	195,966	3,638,684
Right-to-use leased equipment	690,013	1,800,551	678,598	1,811,966
Right-to-use leased buildings	9,036,642	550,080	2,482,071	7,104,651
Right-to-use leased land	652,039	24,233	63,097	613,175
Right-to-use subscription	11,970,421	33,744,433	177,265	45,537,589
Total capital assets being depreciated	**1,095,028,576**	**61,534,220**	**13,568,149**	**1,142,994,647**
Less accumulated depreciation and amortization:				
Land improvements & infrastructure	22,257,118	5,949,827	12,850	28,194,095
Buildings	362,536,539	30,634,566	3,787,492	389,383,613
Furniture, fixtures & equipment	88,344,659	5,459,965	1,606,728	92,197,896
Library materials	3,620,619	78,528	189,069	3,510,078
Right-to-use leased equipment	342,840	226,632	360,367	209,105
Right-to-use leased buildings	2,211,998	973,411	1,195,882	1,989,527
Right-to-use leased land	83,946	18,145	48,554	53,537
Right-to-use leased subscription	2,741,475	3,102,577	177,265	5,666,787
Total accumulated depreciation	**482,139,194**	**46,443,651**	**7,378,207**	**521,204,638**
Total capital assets being depreciated, net	**612,889,382**	**15,090,569**	**6,189,942**	**621,790,009**
Capital assets, net	**$655,316,800**	**$24,794,673**	**$12,351,590**	**$667,759,883**

IV. Long-Term Liabilities

Long-Term Liability activity for year ended June 30, 2024 was as follows:

	2024				
	Beginning Balance	**Additions**	**Reductions**	**Ending Balance**	**Current Portion**
Leases, Notes, and Bonds Payable:					
Leases	$7,412,618	$10,331,397	$5,248,737	$12,495,278	$2,532,439
Subscriptions	28,514,733	5,103,238	6,458,111	27,159,860	4,255,584
Bonds Payable-Public Offering	218,159,159	22,155,000	44,507,382	195,806,777	23,540,228
Total Leases, Notes, & Bonds Payable	**254,086,510**	**37,589,635**	**56,214,230**	**235,461,915**	**30,328,251**
Other Liabilities:					
Compensated Absences	16,501,985	16,844,347	15,602,437	17,743,895	10,735,341
Net Other post employment benefits	37,740,235	6,130,264	4,580,788	39,289,711	-
Net pension liability	5,177,961	3,123,875	3,663,232	4,638,604	-
Total Other Liabilities	**59,420,181**	**26,098,486**	**23,846,457**	**61,672,210**	**10,735,341**
Total Long-Term Liabilities	**$313,506,691**	**$63,688,121**	**$80,060,687**	**$297,134,125**	**$41,063,592**

Long-Term Liability activity for year ended June 30, 2023 was as follows:

	2023				
	Beginning Balance	**Additions**	**Reductions**	**Ending Balance**	**Current Portion**
Leases, Notes, and Bonds Payable:					
Leases	$8,043,490	$2,312,124	$2,942,996	$7,412,618	$917,119
Subscriptions	8,296,578	24,219,557	4,001,402	28,514,733	4,307,269
Bonds Payable-Public Offering	239,906,541	-	21,747,382	218,159,159	22,647,382
Total Leases, Notes, & Bonds Payable	**256,246,609**	**26,531,681**	**28,691,780**	**254,086,510**	**27,871,770**
Other Liabilities:					
Compensated Absences	17,002,786	10,827,148	11,327,949	16,501,985	10,344,442
Net Other post employment benefits	37,922,661	3,911,059	4,093,485	37,740,235	-
Net pension liability	2,594,062	7,317,298	4,733,399	5,177,961	-
Total Other Liabilities	**57,519,509**	**22,055,505**	**20,154,833**	**59,420,181**	**10,344,442**
Total Long-Term Liabilities	**$313,766,118**	**$48,587,186**	**$48,846,613**	**$313,506,691**	**$38,216,212**

A. Bonds

Authorization by the Indiana General Assembly enables the College to issue bonds for the purpose of financing facility construction and improvements or refinancing and refunding. None of these bonds are direct borrowings. Series J bonds were issued for projects on the Richmond and Marion campuses. The Series O bonds supported the refunding of Series I. Projects on the Indianapolis and Muncie campuses, the Lafayette refinancing, and Series I & K refunds were supported by the Series P bonds. The Series R bonds supported projects at the Anderson, Bloomington, and Indianapolis campuses as well as the Series H & L partial refinancing. Series U issued during fiscal year 2018 supported the Series L refunding. Series V issued during fiscal year 2019 supported the projects at Kokomo and Muncie. Series W issued during fiscal year 2021 supported the Columbus project and refunded Series N. Series X-1 and Series X-2 issued during fiscal year 2021 supported the refunding of Series R-2 and Series P, respectively. Series X-3 was issued during fiscal year 2022 and supported the refunding of the Series O bond. In fiscal year 2024, the College issued the Series X-4 bond which refunded the Series R-1 bond.

The June 30, 2023, Premium on Bonds of $27.3 million includes the remaining balance from the sale of Series J, K, L, P, R, T, U, V, and W Student Fee Bonds. The ending balance on June 30, 2024, of $24.8 million includes the remaining balance from the sale of Series J, K, L, P, R, T, U, V, and W Student Fee Bonds. It is amortized over the remaining life of the related bonds.

Bonds Outstanding as of 06/30/2024

Issue Type/Series	Issue Date	Original Issue Amount	Interest Rate	Final Maturity Date	Principal Outstanding as of June 30, 2024	Principal Outstanding as of June 30, 2023	Current Portion
Series J: Richmond, Marion	01/06/2005	9,245,000	4.25% - 4.47%	2025	465,000	3,540,000	465,000
Series R-1: Anderson, Bloomington, Indianapolis, Series H & L Partial Refunding	11/21/2013	64,925,000	.21% - 4.20%	2033	-	24,525,000	-
Series T: Refunding Series K	08/19/2015	28,090,000	.20% - 2.71%	2026	7,720,000	11,335,000	3,760,000
Series U: Refunding Series L	09/19/2017	20,550,000	.99% - 2.15%	2028	9,315,000	11,980,000	-
Series V: Kokomo and Muncie	07/17/2018	69,205,000	1.43% - 3.17%	2039	53,880,000	56,235,000	2,475,000
Series W: Columbus; Refunding of Series N	07/15/2020	62,175,000	.20% - 1.82%	2040	46,460,000	51,345,000	5,145,000
Series X-1: Refunding of Series R-2	12/30/2020	11,915,000	1.80 %	2033	11,795,000	11,835,000	45,000
Series X-2 Refunding of Series P	06/30/2020	11,525,000	1.41%	2032	10,095,000	10,815,000	1,105,000
Series X-3 Refunding of Series O	12/31/2021	9,330,000	1.12%	2026	9,170,000	9,250,000	2,310,000
Series X-4: Refunding of Series R	03/07/2024	22,155,000	3.77%	2029	22,155,000	-	5,725,000
Student Fee Bonds		**$309,115,000**			**171,055,000**	**190,860,000**	**21,030,000**
Add: Unamortized bond premium					24,751,777	27,299,159	
Totals					**$195,806,777**	**$218,159,159**	

Bonds Outstanding as of 06/30/2023

Issue Type/Series	Issue Date	Original Issue Amount	Interest Rate	Final Maturity Date	Principal Outstanding as of June 30, 2023	Principal Outstanding as of June 30, 2022	Current Portion
Series J: Richmond, Marion	01/06/2005	9,245,000	4.25% - 4.47%	2025	3,540,000	6,465,000	3,075,000
Series R-1: Anderson, Bloomington, Indianapolis, Series H & L Partial Refunding	11/21/2013	64,925,000	.21% - 4.20%	2033	24,525,000	27,065,000	2,665,000
Series T: Refunding Series K	08/19/2015	28,090,000	.20% - 2.71%	2026	11,335,000	14,810,000	3,615,000
Series U: Refunding Series L	09/19/2017	20,550,000	.99% - 2.15%	2028	11,980,000	14,515,000	2,665,000
Series V: Kokomo and Muncie	07/17/2018	69,205,000	1.43% - 3.17%	2039	56,235,000	58,475,000	2,355,000
Series W: Columbus; Refunding of Series N	07/15/2020	62,175,000	.20% - 1.82%	2040	51,345,000	56,000,000	4,885,000
Series X-1: Refunding of Series R-2	12/30/2020	11,915,000	1.80 %	2033	11,835,000	11,875,000	40,000
Series X-2 Refunding of Series P	06/30/2020	11,525,000	1.41%	2032	10,815,000	11,525,000	720,000
Series X-3 Refunding of Series O	12/31/2021	9,330,000	1.12%	2026	9,250,000	9,330,000	80,000
Student Fee Bonds		**286,960,000**			**190,860,000**	**210,060,000**	**20,100,000**
Add: Unamortized bond premium					27,299,159	29,846,541	
Totals					**$218,159,159**	**$239,906,541**	

Annual debt service requirements through maturity for bonds are presented in the following chart.

ANNUAL DEBT SERVICE REQUIREMENTS AS OF JUNE 30, 2024						
	Direct Placements		Other Debts		Totals	
Fiscal Year Ended June 30	Principal	Interest	Principal	Interest	Principal	Interest
2025	9,185,000	1,010,422	11,845,000	5,561,625	21,030,000	6,572,047
2026	7,240,000	952,386	14,895,000	4,893,125	22,135,000	5,845,511
2027	11,725,000	755,294	11,505,000	4,233,125	23,230,000	4,988,419
2028	3,935,000	573,844	12,080,000	3,643,500	16,015,000	4,217,344
2029	4,090,000	438,150	9,265,000	3,109,875	13,355,000	3,548,025
2030-2034	17,040,000	629,201	26,270,000	10,952,750	43,310,000	11,581,951
2035-2039	-	-	30,235,000	4,204,025	30,235,000	4,204,025
2040-2044	-	-	1,745,000	34,900	1,745,000	34,900
Total	**$53,215,000**	**$4,359,297**	**$117,840,000**	**$36,632,925**	**$171,055,000**	**$40,992,222**

ANNUAL DEBT SERVICE REQUIREMENTS AS OF JUNE 30, 2023						
	Direct Placements		Other Debts		Totals	
Fiscal Year Ended June 30	Principal	Interest	Principal	Interest	Principal	Interest
2024	840,000	463,238	19,260,000	7,397,250	20,100,000	7,860,488
2025	3,460,000	436,222	17,390,000	6,516,000	20,850,000	6,952,222
2026	4,195,000	390,373	17,845,000	5,635,125	22,040,000	6,025,498
2027	8,570,000	310,151	14,600,000	4,824,000	23,170,000	5,134,151
2028	660,000	249,907	15,330,000	4,075,750	15,990,000	4,325,657
2029-2033	14,175,000	802,791	37,365,000	12,723,375	51,540,000	13,526,166
2034-2038	-	-	28,760,000	5,670,500	28,760,000	5,670,500
2039-2043	-	-	8,410,000	262,925	8,410,000	262,925
Total	**$31,900,000**	**$2,652,682**	**$158,960,000**	**$47,104,925**	**$190,860,000**	**$49,757,607**

B. Compensated Absences

As of June 30, 2024, the accrued vacation benefit is $12.0 million, and the eligible sick leave benefit is $5.7 million. Vacation benefit and eligible sick leave benefit combined increased by $1.2 million from June 30, 2023. The College has internally designated a portion of its unrestricted funds to offset the entire liability for compensated absences.

V. Lease

A. Lease Receivable

During the current fiscal year, the College had contractual agreements for leasing space in various College buildings and land to third parties. The leases range from 1 year – 25 years in length as the lessor.

Lease receivable for the years ending June 30, 2024, and 2023 are as follows:

	Fiscal Year Ending June 30, 2024	Fiscal Year Ending June 30, 2023
Building Space	1,090,493	1,273,722
Land	4,677	7,589
Total Lease Receivable	1,095,170	1,281,311

The College has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the deferred inflow of resources was $1,014,828 compared to a balance of $1,215,025 reported as of June 30, 2023.

During fiscal year 2024, the College recognized $263,506 in lease revenue and $58,486 in interest revenue. In fiscal year 2023, the College recognized $280,609 in lease revenue and $57,855 in interest revenue related to these leases.

During the current fiscal year, the College received $2,090 in variable lease revenue.

B. Lease Payable

During the current fiscal year, the College had contractual agreements for various leases of buildings, land, and equipment ranging from 1 year – 44 years in length as the lessee.

Lease liability for the years ending June 30, 2024, and 2023 are as follows:

	Fiscal Year Ending June 30, 2024	Fiscal Year Ending June 30, 2023
Right-to-use leased equipment	8,656,654	1,430,075
Right-to-use leased buildings	3,245,350	5,383,541
Right-to-use leased land	593,274	599,002
Total	**12,495,278**	**7,412,618**

For leases entered during the current fiscal year, an initial lease liability was recorded of $10,331,397. For leases entered during the fiscal year 2023, an initial lease liability was recorded in the amount of $2,312,124.

The College is required to make payments throughout the year for both principal and interest. The leases have interest rates ranging from 2.15% – 8.5% utilizing the College's estimated incremental borrowing rates.

The Right-to-use leased assets related to the lease liabilities have estimated useful lives ranging from 1 year – 44 years based on the non-cancellable portion of the contractual agreements. See Note III for additional information regarding the Right-to-use leased assets including the asset balance and accumulated amortization as of June 30, 2024 and 2023.

During the current fiscal year, the College paid $267,950 in variable lease expenses. In fiscal year 2023, the College paid $204,050 in variable lease expenses.

As of June 30, 2024, scheduled lease payments for the years ending June 30 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	$2,532,439	$846,118	$3,378,557
2026	2,460,937	664,272	3,125,209
2027	2,509,130	483,872	2,993,002
2028	2,492,427	299,986	2,792,413
2029	281,637	122,488	404,125
2030-2034	853,114	418,630	1,271,744
2035-2039	378,439	297,270	675,709
2040-2044	494,080	189,059	683,139
2045-2049	333,980	69,701	403,681
2050-2054	77,878	25,622	103,500
2055-2059	24,771	17,401	42,172
2060-2065	31,790	10,382	42,172
2066-2068	24,656	2,056	26,712
Totals	**$12,495,278**	**$3,446,857**	**$15,942,135**

As of June 30, 2023, scheduled lease payments for the years ending June 30 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	$917,119	$378,381	$1,295,500
2025	783,333	330,618	1,113,951
2026	772,245	284,599	1,056,844
2027	745,647	238,871	984,518
2028	603,759	196,428	800,187
2029-2033	1,950,159	634,015	2,584,174
2034-2038	568,911	321,844	890,755
2039-2043	468,950	213,000	681,950
2044-2048	409,401	88,545	497,946
2049-2053	107,623	30,330	137,953
2054-2058	23,565	18,608	42,173
2059-2063	30,246	11,926	42,172
2064-2068	31,660	3,484	35,144
Totals	**$7,412,618**	**$2,750,649**	**$10,163,267**

VI. Subscription-Based Information Technology Arrangements

Subscription Payable

During the current fiscal year, the College is the licensee for various noncancelable Subscription-Based Information Technology Arrangements (SBITAs). The SBITAs range from 2 years – 9 years in length.

Subscription balances for the years ending June 30, 2024, and 2023 are as follows:

	Fiscal Year Ending June 30, 2024	Fiscal Year Ending June 30, 2023
Short-Term Subscription Liability	4,255,584	4,307,269
Long-Term Subscription Liability	22,904,276	24,207,464
Total Subscription Liability	**27,159,860**	**28,514,733**

For subscriptions entered during the current fiscal year, an initial lease liability was recorded of $5,103,238. For leases entered during the fiscal year 2023, an initial lease liability was recorded in the amount of $24,219,557.

The College is required to make payments throughout the year for both principal and interest. The SBITAs have interest rates ranging from 6.0% – 8.5%, utilizing the College's estimated incremental borrowing rates.

The Right-to-use SBITAs related to the lease liabilities have estimated useful lives ranging from 2-9 years in length based on the noncancelable portion of the contractual agreements. See Note III for additional information regarding the Right-to-use SBITA assets including the asset balance and accumulated amortization as of June 30, 2024, and 2023.

As of June 30, 2024, scheduled subscription payments for the years ending June 30 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	$4,255,584	$2,340,497	$6,596,081
2026	3,815,195	2,004,877	5,820,072
2027	1,913,298	1,690,134	3,603,432
2028	2,042,334	1,525,161	3,567,495
2029	2,282,538	1,340,120	3,622,658
2030-2034	12,850,911	3,063,553	15,914,464
Totals	**$27,159,860**	**$11,964,342**	**$39,124,202**

As of June 30, 2023, scheduled subscription payments for the years ending June 30 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	$4,307,269	$2,063,229	$6,370,498
2025	2,735,234	2,135,752	4,870,986
2026	2,448,516	1,900,760	4,349,276
2027	1,921,037	1,684,598	3,605,635
2028	2,001,377	1,518,821	3,520,198
2029-2033	15,101,300	4,400,823	19,502,123
Totals	**$28,514,733**	**$13,703,983**	**$42,218,716**

VII. Postemployment Benefits Other Than Pensions (OPEB)

Plan Description

Ivy Tech Community College Post-Retirement Medical/Dental Benefits Plan is a self-administered, single-employer defined benefit OPEB plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Ivy Tech Community College Board of Trustees has the authority to establish and amend benefit provisions.

The Plan provides medical and dental benefits to eligible retirees and their spouses and/or dependents. Eligible retirees and their spouse and/or dependents are eligible for benefits under the Plan's following two tiers. Please note that retirees, spouses, and dependents may stay on the Plan once they are eligible for Medicare; however, Plan coverage is secondary to Medicare.

Regular Plan — All employees who retire between the age of fifty-five (55) and up to but not including sixty-five (65) with ten (10) years of benefits-eligible service with the College, or at the age of sixty-five (65) or later with five (5) years of benefits-eligible service with the College may continue participation in College group medical and/or dental benefits. Retirees pay 100% of the premium cost of an active employee.

75 Plan — All employees who retire between the age of fifty-five (55) and sixty-five (65), whose combined age and years of continuous benefit-eligible service equal at least seventy-five (75), were hired on or before December 31, 2008, and were benefits-eligible and continuously employed in a benefits-eligible position on or prior to December 31, 2008, may elect to remain in the College group medical and/or dental programs. Employees who meet the above requirements and remain in the 75 Plan pay the same premium as an active employee, which is subsidized by the College until they become eligible for Medicare at which time they may continue in the regular Plan. All participants in the 75 Plan must have been hired by December 31, 2008; the College is no longer accepting new participants into this Plan.

The expenditure is accrued and recognized under the terms of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*

As of July 1, 2023, the Plan had 2,635 total participants, 2,432 of which are active participants and 203 inactive participants receiving benefits. As of July 1, 2022, the Plan had 2,491 total participants, 2,295 of which are active participants and 196 inactive participants receiving benefits. The College contributed $2,298,363 to the Plan in fiscal year 2024 and $1,797,997 to the Plan in fiscal year 2023.

Significant Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2024 measurement date was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	July 1, 2023 census data. Liabilities rolled forward to June 30, 2024 measurement date.		
Experience study date	2013		
Long-term rate of return on assets	Not applicable		
Salary increases	3.0%		
Discount rate	4.42% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of April 30, 2024		
Ad hoc postemployment benefit changes	None		
Healthcare cost trend rates	Years	Pre-65 Medical	Dental
	2023	8.00%	5.00%
	2024	7.00%	5.00%
	2025	6.00%	5.00%
	2025+	5.00%	5.00%
	The leveraging effect of co-pays, deductibles, and out of pocket limits on medical cost trend is assumed to be immaterial.		
Projections of sharing benefit-related costs	Retiree contributions are based on the active premium rates without regard to the aging assumption. Per capita contribution rates are $1,354 for medical and $100 for dental for 75 Plan retirees per year ($12,292 for medical and $500 for dental for Regular retirees)		
Mortality	RP-2014 White Collar Mortality Table with projection scale MP-2021		

The total OPEB liability in the June 30, 2023 measurement date was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

<table>
<tr><td>Valuation Date</td><td colspan="3">July 1, 2022 census data. Liabilities rolled forward to June 30, 2023 measurement date.</td></tr>
<tr><td>Experience study date</td><td colspan="3">2013</td></tr>
<tr><td>Long-term rate of return on assets</td><td colspan="3">Not applicable</td></tr>
<tr><td>Salary increases</td><td colspan="3">3.0%</td></tr>
<tr><td>Discount rate</td><td colspan="3">4.14% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of April 30, 2023</td></tr>
<tr><td>Ad hoc postemployment benefit changes</td><td colspan="3">None</td></tr>
<tr><td rowspan="5">Healthcare cost trend rates</td><td>Years</td><td>Pre-65 Medical</td><td>Dental</td></tr>
<tr><td>2022</td><td>7.00%</td><td>5.00%</td></tr>
<tr><td>2023</td><td>6.00%</td><td>5.00%</td></tr>
<tr><td>2024+</td><td>5.00%</td><td>5.00%</td></tr>
<tr><td colspan="3">The leveraging effect of co-pays, deductibles, and out of pocket limits on medical cost trend is assumed to be immaterial.</td></tr>
<tr><td>Projections of sharing benefit-related costs</td><td colspan="3">Retiree contributions are based on the active premium rates without regard to the aging assumption. Per capita contribution rates are $1,458 for medical and $99 for dental for 75 Plan retirees per year ($11,467 for medical and $495 for dental for Regular retirees)</td></tr>
<tr><td>Mortality</td><td colspan="3">RP-2014 White Collar Mortality Table with projection scale MP-2021</td></tr>
</table>

Since the prior measurement date, there have been no changes in plan terms. The discount rate, per capita claim cost, per capita contribution, and healthcare cost trend rates are reviewed annually, and adjustments made as appropriate; these have been updated since the prior measurement date. The mortality assumption is updated annually to reflect the currently available mortality tables. The remaining assumptions are based on the 2013 experience study.

Total OPEB liability is sensitive to changes in both the discount rate and the healthcare cost trend rate. The following tables illustrate the potential impact of a one percentage point rate decrease or a one percentage point increase as of June 30, 2024.

Discount Rate

1 % Decrease	Current	1 % Increase
$41,805,946	$39,289,711	$36,951,548

Healthcare Cost Trend Rate

1 % Decrease	Current	1 % Increase
$35,686,700	$39,289,711	$43,370,513

As of June 30, 2023, the potential impact of a one percentage point rate decreases, or increase was as follows:

Discount Rate

1 % Decrease	Current	1 % Increase
$40,152,445	$37,740,235	$35,497,458

Healthcare Cost Trend Rate

1 % Decrease	Current	1 % Increase
$34,606,627	$37,740,235	$41,227,313

Total OPEB Liability

In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the plan's total OPEB liability as of June 30, 2024, was $39,289,711, and as of June 30, 2023, was $37,740,235. The College pays claims as incurred, and as a result, the plan does not have assets segregated. Total OPEB expense was $2,298,363 and $1,797,997 for June 30, 2024, and June 30, 2023, respectively.

Components of OPEB expense are as follows:

	Fiscal Year Ending June 30, 2024	Fiscal Year Ending June 30, 2023
Service Cost	$1,625,845	$1,476,087
Interest Cost	1,608,836	1,482,319
Expected Return on Plan Assets	-	-
Amortization		
Investment (Gain) Loss	-	-
Assumption Changes	(133,623)	(100,329)
Experience (Gain) Loss	(802,695)	(1,060,080)
Total OPEB Expense	**$2,298,363**	**$1,797,997**

Changes in the total OPEB liability during the 2024 fiscal year are as follows:

	Total OPEB Liability
Balance as of June 30, 2023	$37,740,235
Changes for the year:	
Service cost	1,625,845
Interest	1,608,836
Changes of benefit terms	-
Plan amendments	-
Experience Gain/Loss	2,895,583
Changes in assumptions or other inputs	(686,539)
Benefit payments	(3,894,249)
Net Changes	**$1,549,476**
Balance as of June 30, 2024	**$39,289,711**

Changes in the total OPEB liability during the 2023 fiscal year are as follows:

	Total OPEB Liability
Balance as of June 30, 2022	$37,922,661
Changes for the year:	
Service cost	1,476,087
Interest	1,482,319
Changes of benefit terms	-
Plan amendments	-
Experience Gain/Loss	952,653
Changes in assumptions or other inputs	(374,554)
Benefit payments	(3,718,931)
Net Changes	**($182,426)**
Balance as of June 30, 2023	**$37,740,235**

Deferred inflows and outflows of resources as of June 30, 2024, were as follows.

Value on June 30, 2024	Deferred Outflows of Resources	Deferred Inflows of Resources
Beginning balance or Value at June 30, 2023	$ -	($9,135,033)
Differences between expected and actual experience	-	3,698,278
Changes of assumptions	-	(552,916)
Total at June 30, 2024	**$ -**	**($5,989,671)**

Deferred inflows and outflows of resources as of June 30, 2023, were as follows.

Value on June 30, 2023	Deferred Outflows of Resources	Deferred Inflows of Resources
Beginning balance or Value at June 30, 2022	$ -	($10,873,541)
Differences between expected and actual experience	-	2,012,733
Changes of assumptions	-	(274,225)
Total at June 30, 2023	**$ -**	**($9,135,033)**

As of June 30, 2024, the amortization schedule of deferred outflows and inflows of resources for the College is as follows:

Amortization of Net Deferred Outflows (Inflows) of Resources	
2025	($997,344)
2026	(997,344)
2027	(997,344)
2028	(965,064)
2029	(750,018)
Thereafter	(1,282,557)
Amount recognized as a reduction of total OPEB liability	**($5,989,671)**

As of June 30, 2023, the amortization schedule of deferred outflows and inflows of resources for the College is as follows:

Amortization of Net Deferred Outflows (Inflows) of Resources	
2024	($1,197,790)
2025	(1,197,790)
2026	(1,197,790)
2027	(1,197,790)
2028	(1,197,790)
Thereafter	(3,146,083)
Amount recognized as a reduction of total OPEB liability	**($9,135,033)**

Other than payments made by plan participants, the only contributions to the College's OPEB plan are made by the College; the plan does not have any non-employer contributing entities. The College's OPEB plan does not issue a stand-alone financial report.

VIII. Retirement Plans

Ivy Tech's State Board of Trustees has the authority to determine employee benefits and personnel policies. The following describes the retirement plans authorized by the College's State Board of Trustees.

The College sponsors a defined contribution plan under section 403(b) of the Internal Revenue Code for full-time faculty, administrative staff, and, for full-time support employees and eligible part-time support employees hired on or after July 1, 2014. The College participates in the State of Indiana's defined benefit pension plan for full-time support employees hired prior to July 1, 2014. The College also sponsors a defined contribution plan under section 457(b) of the Internal Revenue Code in which all employees are eligible to participate. Additionally, the College sponsors a defined contribution plan under section 401(a) for certain eligible employees of the College. This plan is a governmental plan as defined under section 414(d) and section 3(32) of the Employee Retirement Income Security Act of 1974. As part of this plan, the College adopted the Qualified Excess Benefit Arrangement (QEBA) under section 415(m) (3). The sole purpose of the Arrangement is to provide for contributions that would have been made to the 401(a) plan absent the limitations of section 415(c).

The College provided retirement plan coverage to 3,353 and 3,485 active employees as of June 30, 2024, and June 30, 2023, respectively.

A. Ivy Tech Community College of Indiana Defined Contribution Retirement Plan

Full-time faculty, administrative staff, full-time support employees hired after July 1, 2014, and eligible part-time support employees are eligible to receive a nonelective contribution to the defined contribution retirement plan sponsored by the College. The College contributes a fixed percentage of compensation on behalf of each eligible employee to the plan. Employees are eligible for participation in the plan on the first day of employment. The employee vests upon completing two years of employment at the College.

During the fiscal year ending June 30, 2024, the College remitted $25.7 million to Transamerica, representing $221.7 million in total salaries compared to the $24.4 million remitted to Transamerica representing $208.0 million in total salaries as of June 30, 2023. During fiscal year 2024, $276 thousand was forfeited by employees and used to offset other defined contributions and expenses. During fiscal year 2023, $178 thousand was forfeited by employees. On June 30, 2024, there were 3,204 employees participating in the defined contribution retirement plan compared to 3,304 employees participating on June 30, 2023.

All employees of the College are also eligible to voluntarily defer a portion of their salary to this retirement plan.

B. Public Employees' Retirement Fund

Plan Description

The Indiana Public Retirement System (INPRS) administers 16 pension trust funds including eight defined benefit plans and five defined contribution retirement plans, two other postemployment benefit fund, and one custodial fund. The College participates in the Public Employees' Retirement Fund (PERF) for full-time, non-exempt employees hired prior to July 1, 2014, which is one of the eight defined benefit retirement plans.

The PERF is a cost sharing multiple-employer defined benefit plan based on 35 IAC 21-1-1, 35 IAC 21-1-2, and amended IC 5-10.2-2-11(b). PERF was established to provide retirement, disability, and survivor benefits to full-time employees of the State of Indiana not covered by another plan, those political subdivisions that elect to participate in the retirement plan, and certain INPRS employees. Political subdivisions may offer the following plans to their employees: PERF Hybrid, My Choice: Retirement Savings Plan, My Choice: Retirement Savings Plan and PERF Hybrid (employee's choice), PERF Hybrid for existing employees, and PERF Hybrid and My Choice: Retirement Savings Plan. The College participates in the PERF Hybrid Plan.

The PERF Hybrid Plan was established by the Indiana Legislature in 1945 and is governed by the INPRS Board of Trustees in accordance with Indiana Code (IC) 5-10.2, 5-10.3, 5-10.5. There are two aspects to the PERF Hybrid Plan defined benefit structure. The first portion is the monthly defined benefit pension that is funded by the employer. The second portion of the PERF Hybrid Plan benefit structure is the defined contribution component known as the Public Employees' Hybrid Members Defined Contribution Account.

Complete financial statements for INPRS are available online at https://www.in.gov/inprs/publications/annual-reports/.

Membership

PERF members are officers and employees of units of State and local governments in Indiana (referred to as political subdivisions), including counties, cities, towns, townships, libraries, and school corporations. The political subdivisions become participants by ordinance or resolution of the governing body, which specifies the classifications of employees who will become members of the plan. The ordinance or resolution is filed with and approved by INPRS. In order to be a member, employees hired after June 30, 1982, except employees of a participating school corporation, must occupy positions normally requiring performance of service of more than 1,000 hours during a year.

Contributions

The College is obligated by statute to make contributions to PERF, which are determined by the INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 5-10.2-2-11. The funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to fund the pension benefits when they become due. As PERF is a cost-sharing plan, all risks and costs, including benefit costs, are shared proportionately by the participating employers. During fiscal years 2024 and 2023, the College was required to contribute 11.2% of covered payroll per year, which totaled $739,877 and $901,854 respectively. The PERF Hybrid Plan members contribute 3% of covered payroll to their annuity savings account, which is not used to fund the defined benefit pension for the PERF Hybrid Plan. The employer may elect to make the contributions to the annuity savings account on behalf of the member, which is the case with the College.

Retirement Benefits

The PERF Hybrid Plan retirement benefit consists of the sum of a defined pension benefit provided by employer contributions plus the amount credited to the member's annuity savings account. Pension benefits (non-ASA) vest after 10 years of creditable service. Members are immediately vested in their annuity savings account.

A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100% of the pension benefit component. This annual pension benefit is equal to 1.1% times the average annual compensation times the number of years of creditable service. The average annual compensation in this calculation uses the highest 20 calendar quarters of salary in a covered position. All 20 calendar quarters do not need to be continuous, but they must be in groups of four consecutive calendar quarters. Members may be eligible for reduced pension benefit based on age and years of service.

The monthly pension benefits for members in pay status may be increased periodically as cost-of-living adjustments (COLA). Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly. The State approved a COLA increase of 0.4% as of January 1, 2024. There was no COLA for the year ended June 30, 2023. The State approved a COLA increase of one percent as of January 1, 2022. There is no COLA adjustment anticipated for the year ending June 30, 2025.

The PERF Hybrid Plan also provides disability and survivor benefits. An active member qualifying for Social Security disability with five years of creditable service may receive an unreduced retirement benefit for the duration of their disability. Upon the death in service of a member with 15 or more years of creditable service, a survivor benefit may be paid to the surviving spouse or surviving dependent children.

Significant Actuarial Assumptions

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations for the College's participation in PERF on June 30, 2023 is below.

Valuation date:	
Assets	June 30, 2023
Liabilities	June 30, 2022 - Member census data as of June 30, 2022, was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2022 and June 30, 2023. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2022, to the June 30, 2023 measurement date.
Actuarial assumptions:	
Experience study date	Period of 5 years ended June 30, 2019
Investment rate of return	6.25%, net of investment expense, including inflation
Cost of living increase	0.40% January 1, 2026 – December 31, 2033 0.50% January 1, 2034 – December 31, 2038 0.60% January 1, 2039, and after
Future salary increases	2.65%-8.65%
Inflation	2.00%
Mortality-Healthy	Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019: General Employee table with a 3-year set forward for males and a 1 year set forward for females.
Mortality-Disabled	Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019: General Disabled table with a 140% load.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations for the College's participation in PERF at June 30, 2022 is below.

Valuation date:	
Assets	June 30, 2022
Liabilities	June 30, 2021 - Member census data as of June 30, 2021, was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2021 and June 30, 2022. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2021, to the June 30, 2022 measurement date.
Actuarial assumptions:	
Experience study date	Period of 5 years ended June 30, 2019
Investment rate of return	6.25%, net of investment expense, including inflation
Cost of living increase	1.00% COLA on January 1, 2022 0.40% January 1, 2024 – December 31, 2033 0.50% January 1, 2034 – December 31, 2038 0.60% January 1, 2039, and after
Future salary increases	2.65%-8.65%
Inflation	2.00%
Mortality-Healthy	Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019: General Employee table with a 3-year set forward for males and a 1 year set forward for females.
Mortality-Disabled	Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019: General Disabled table with a 140% load.

The long-term return expectation for the INPRS defined benefit retirement plans has been determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. In order to determine the expected long-term nominal market rate of return, the asset class geometric real returns are projected for a 30-year time horizon. These returns are combined with a projected covariance matrix and the target asset allocations to create a range of expected long-term real market rates of return for the portfolio. A range of possible expected long-term rates of return is created by adding the forecasted inflation to the expected long-term real rates of return. This range, along with a reasonable alpha assumption from manager selection, ultimately supports the long-term expected rate of return assumption of 6.25% selected by the Board as the discount rate. The assumption is a long-term assumption and is not expected to change with small fluctuations in the underlying inputs but may change with a fundamental shift in the underlying market factors or significant asset allocation change.

Geometric Basis on June 30, 2023

	Target Asset Allocation	Long-Term Expected Real Rate of Return
Public Equity	20.0%	3.7%
Private Market	15.0%	6.4%
Fixed Income-Ex Inflation-Linked	20.0%	2.2%
Fixed Income-Inflation-Linked	15.0%	0.5%
Commodities	10.0%	1.1%
Real Assets	10.0%	3.4%
Absolute Return	5.0%	1.6%
Risk Parity	20.0%	5.9%
Cash and Cash Overlay	N/A	--

Geometric Basis on June 30, 2022

	Target Asset Allocation	Long-Term Expected Real Rate of Return
Public Equity	20.0%	3.6%
Private Market	15.0%	7.7%
Fixed Income-Ex Inflation-Linked	20.0%	1.4%
Fixed Income-Inflation-Linked	15.0%	(0.3%)
Commodities	10.0%	0.9%
Real Assets	10.0%	3.7%
Absolute Return	5.0%	2.1%
Risk Parity	20.0%	3.8%
Cash and Cash Overlay	(15.0%)	(1.7%)

Discount Rate

Total pension liability for each defined benefit plan was calculated using a discount rate of 6.25%. The projection of cash flows used to determine the discount rate assumed the contributions from employers would be at the actuarially determined required rates computed in accordance with the current funding policy adopted by the Board, and contributions required by the State of Indiana would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed rate of return of 6.25%. Based on those assumptions, each defined benefit pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. The long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for each plan.

Net pension liability is sensitive to changes in the discount rate. The following table illustrates, as of June 30, 2023, the potential impact if the discount rate decreases by one percentage point or increases by one percentage point.

1 % Decrease (5.25%)	Current (6.25%)	1 % Increase (7.25%)
$7,559,450	$4,638,604	$2,203,193

Net pension liability is sensitive to changes in the discount rate. The following table illustrates, as of June 30, 2022, the potential impact if the discount rate decreases by one percentage point or increases by one percentage point.

1 % Decrease (5.25%)	Current (6.25%)	1 % Increase (7.25%)
$8,747,472	$5,177,961	$2,200,730

Pension Plan's Fiduciary Net Position

INPRS is a pension trust fund of the State of Indiana for financial statement reporting purposes. The financial statements of INPRS are prepared using the accrual basis of accounting in conformity with generally accepted accounting principles as applied to governments. Under the accrual basis, revenues are recognized when earned, and expenses are recognized when liabilities are incurred, regardless of the timing of related cash flows. INPRS applies all applicable GASB pronouncements in accounting and reporting for its operations.

Pension, disability, special death benefits, and distributions of contributions and interest are recognized when due and payable to members or beneficiaries. Benefits are paid once the retirement or survivor applications have been processed and approved. Distributions of contributions and interest are distributions from inactive, non-vested members' annuity savings accounts. These distributions may be requested by members or auto-distributed by the fund when certain criteria are met.

The pooled and non-pooled investments are reported at fair value. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Additional information regarding the plan's fiduciary net position may be found online at https://www.in.gov/inprs/publications/annual-reports/.

Other Information

Ivy Tech Community College's proportionate share of the collective net pension liability is $4,638,604 which is 0.1314% of PERF's total net pension liability compared to a proportionate share as of June 30, 2022, of $5,177,961 or 0.1642%, a decrease in proportionate share of 0.0328%. The College's proportion of the net pension liability was based on wages reported by employers relative to the collective wages of the plan. The measurement date of the collective net pension liability is June 30, 2023. The actuarial valuation date upon which the total pension liability is based, is June 30, 2023. Standard actuarial roll-forward techniques were used to project the total pension liability computed as of June 30, 2022, to June 30, 2023.

The contribution rates were calculated as of June 30, and the newly calculated contribution rates will become effective January 1, 2024.

There are no changes between the measurement date and the employer's reporting date that are expected to have a significant impact on the employer's proportionate share of the collective net pension liability. Full-time, non-exempt employees hired after July 1, 2014, are no longer added to PERF; over time, this may impact the College's proportionate share of the collective net pension liability.

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—An Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, the College's net pension liability reported as of June 30, 2024, is $4,638,604 and as of June 30, 2023, was $5,177,961. The College's total pension expense was ($96,901) and ($600,364) as of June 30, 2023 and 2022, respectively. Deferred inflows and outflows of resources were as follows.

As of June 30, 2023	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$94,904	$ -
Net difference between projected and actual earnings on pension plan investments	1,063,181	-
Changes of assumptions	252,952	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	10,997	(1,206,920)
Employer contributions subsequent to measurement date	739,877	-
Totals	**$2,161,911**	**$(1,206,920)**

As of June 30, 2022	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$111,656	$(19,692)
Net difference between projected and actual earnings on pension plan investments	639,015	-
Changes of assumptions	701,329	(221,531)
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,557	(1,460,618)
Employer contributions subsequent to measurement date	860,875	-
Totals	**$2,318,432**	**$(1,701,841)**

The amortization schedule of deferred outflows and inflows of resources for the College is as follows:

Amortization of Net Deferred Outflows (Inflows) of Resources	
2024	($182,883)
2025	(304,188)
2026	557,372
2027	144,813
2028	-
Thereafter	-
Total	**$215,114**

C. Ivy Tech Community College of Indiana 457(B) Deferred Compensation Plan

All employees of the College are eligible to voluntarily defer a portion of their salary to a defined contribution plan under section 457(b) of the Internal Revenue Code.

D. Federal Social Security Act

All employees (except work-study students attending classes on a full-time basis) are members of and are covered upon employment by the Old Age and Survivors Insurance and Medical Insurance Provisions of the Federal Social Security Act.

IX. Functional Expenses

The following schedule shows expenses based on the College's functional and natural categories.

	Natural Classification							
Functional Classification	Salaries & wages	Benefits	Scholarships	Utilities	Supplies & other services	Depreciation & Amortization	2024 Total	Reclassified 2023 Total (As Restated)
Instruction	$103,027,284	$32,748,424	$263,443	$153,288	$43,158,653	$-	$179,351,092	$170,797,209
Institutional support	62,918,827	28,038,585	1,080,617	290,459	74,111,675	-	166,440,163	171,064,418
Scholarships & fellowships	758,708	128,154	49,748,908	-	215,122	-	50,850,892	61,992,141
Academic support	65,803,668	22,125,610	2,155,682	21,986	17,021,890	-	107,128,836	90,102,072
Student services	34,951,147	14,589,468	168,004	73,105	10,999,362	-	60,781,086	55,481,528
Operations & maintenance of plant	7,365,539	2,975,808	-	11,194,277	11,870,093	-	33,405,717	25,250,406
Depreciation	-	-	-	-	-	39,084,382	39,084,382	45,246,979
Auxiliary services	435,613	111,736	2,444	34,782	264,096	-	848,671	(711,390)
Public services	188,963	59,898	-	-	95,188	-	344,049	797,787
TOTAL	$275,449,749	$100,777,683	$53,419,098	$11,767,897	$157,736,079	$39,084,382	$638,234,888	$620,021,150

	Natural Classification							
Functional Classification	Salaries & wages	Benefits	Scholarships	Utilities	Supplies & other services	Depreciation & Amortization	2023 Total	Reclassified 2022 Total (As Restated)
Instruction	$98,785,862	$32,278,979	$438,680	$165,221	$39,128,467	$-	$170,797,209	$160,384,528
Institutional support	65,759,937	26,995,254	1,106,761	509,396	76,693,070	-	171,064,418	156,963,334
Scholarships & fellowships	676,558	115,216	61,166,762	-	33,605	-	61,992,141	144,186,883
Academic support	58,316,383	18,773,255	1,389,727	5,088	11,617,619	-	90,102,072	83,584,322
Student services	32,346,182	12,839,971	156,754	7,376	10,131,245	-	55,481,528	56,759,444
Operations & maintenance of plant	7,232,260	3,010,545	-	12,229,051	2,778,550	-	25,250,406	36,363,863
Depreciation	-	-	-	-	-	45,246,979	45,246,979	39,475,615
Auxiliary services	264,582	90,122	-	40,757	(1,106,851)	-	(711,390)	2,660,341
Public services	75,449	18,473	-	-	703,865	-	797,787	755,463
TOTAL	**$263,457,213**	**$94,121,815**	**$64,258,684**	**$12,956,889**	**$139,979,570**	**$45,246,979**	**$620,021,150**	**$681,133,793**

X. Commitments and Contingencies

A. Accrual of Loss Contingency

The College has been named a party in unasserted claims, assessments, and litigation. College management has reviewed these actions to determine if one (1) it is probable that as of the date of the financial statements, an asset has been impaired or a liability incurred, based on subsequent available information prior to the issuance of the financial statements, and two (2) the amount of the loss can be reasonably estimated.

No accrual of loss contingency has been established, as in the opinion of management, the above conditions do not exist in a material amount.

The College has been named a defendant in two (2) lawsuits in the U.S. District Court for the Southern District of Indiana, two (2) lawsuits in the U.S. District Court for the Northern District of Indiana, one (1) lawsuit in Lake County Superior Court, and one (1) lawsuit in Floyd County Superior Court. In addition to these matters, the College has three (3) open charges with the Equal Employment Opportunity Commission (EEOC) and one (1) open charge with the Indiana Civil Rights Commission (ICRC).

In the opinion of management, an unfavorable outcome in these matters will not have a material adverse effect on the balance sheet of the institution. Management is currently unable to assess the probability of an unfavorable outcome.

B. Pollution Remediation

In accordance with the criteria outlined in GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, the College has a remediation obligation related to the Indianapolis East Washington Street location, and the Indiana Department of Environmental Management has issued a notice of liability for the property. The notice states trichloroethylene concentrations were above the Indiana Department of Environmental Management Remediation Closure Guide commercial/industrial screening level. As of October 29, 2024, the College estimates a cost of no more than $400,000 for remediation in which insurance is expected to cover all except $100,000; therefore, no contingency was recorded.

C. Subsequent Events

None

D. Construction Work In Progress

The following table presents the construction projects in progress as of June 30, 2024:

Security Project- Lake County	$746,589
Franklin Buildout - Warehouse	410,042
Elevator Modernization	301,886
Fisher Electrical - Insurance	1,790,764
Industrial 4.0 Equipment	1,114,674
Statewide Facilities Plan	1,820,977
C4 Concrete Repairs	269,625
E. Chicago Welding Lab Project	1,766,015
EC Renovation Cap Project	8,486,702
Health Sciences Renovation Ph 2	397,767
Insurance Refund Richmond	334,719
EDA Sellersburg Pfau Hall - Fed	3,314,621
Baptist Health Pfau Hall	3,351,067
Various Repair & Rehab Projects	6,535,318
Various Parking Lots and Internally Designated Repair & Rehab Projects	4,885,251
Various Grant Funded Projects	2,061,819
Total Construction Work In Progress	**$37,587,836**

The following table presents the construction projects in progress as of June 30, 2023:

Security Project- Lake County	$746,589
Franklin Buildout - Warehouse	408,992
Elevator Modernization	301,886
Water Infiltration Repair Colis	290,203
HVAC Project Coliseum Bldg. 1	420,302
Fisher Electrical - Insurance	1,790,764
Industrial 4.0 Equipment	582,252
Statewide Facilities Plan	901,944
C4 Concrete Repairs	263,225
Sheridan Remodel/Literacy Ctr.	264,873
E. Chicago Welding Lab Project	1,765,581
EC Renovation Cap Project	281,784
Harshman Hall Project	523,239
Health Sciences Renovation Ph 2	379,156
Insurance Refund Richmond	334,719
EDA Sellersburg Pfau Hall - Fed	553,341
Ogle Fund Library Renovation 22	389,661
Baptist Health Pfau Hall	695,988
Various Repair & Rehabilitation & Parking Lot Projects	3,826,432
Total Construction Work In Progress	**$14,720,931**

XI. Risk Management

The College is exposed to various risks of loss, including torts, theft, damage or destruction of assets, errors or omissions, job-related illness or injuries to employees, and healthcare claims on behalf of employees and their eligible dependents. The College manages these risks through a combination of risk retention and commercial insurance, including coverage from internally maintained funds.

Property, with a $500,000,000 policy limit and $50,000 deductible for damage to buildings and building contents for most causes of loss; General Liability, with an $850,000 per occurrence limit, $3,400,000 general aggregate limit, and a $150,000 retention; Educators' Legal Liability, with a $25,000,000 per claim limit and $25,000,000 annual aggregate and a $225,000 retention; Internships & Professional Liability, with a $1,000,000 per claim limit, $3,000,000 annual aggregate limit, and $10,000 deductible; Healthcare Professional Liability to include participation in the Indiana Patient's Compensation Fund with a $500,000 per claim limit, $1,500,000 aggregate, and $15,000 deductible; Auto Liability, with a $1,000,000 combined single limit; Foreign Liability, with a $1,000,000 per occurrence limit and a $5,000,000 general aggregate; Excess Liability, with a $25,000,000 per occurrence limit; Crime, with $3,000,000 per loss limit and a $35,000 retention; Fiduciary Liability with a $3,000,000 limit for all claims; Cyber Liability with a $20,000,000 Total aggregate limit, split between four carriers, $5,000,000 policy limit each carrier — primary carrier with a $5,000,000 aggregate limit and a $250,000 retention and each succeeding carrier precedes the subsequent carrier's $5,000,000 limit; International Travel Accident & Sickness with a

$250,000 per person benefit to cover student, staff, and guest travelers; and Student Accident, with a $3,000 per injury limit. The College does provide access to a healthcare insurance plan for international students, paid for by the students.

The College is self-funded for the first $500,000 for each Worker's Compensation claim. Worker's Compensation claims above these amounts are covered by commercial insurance and are subject to statutory limits. The College has additional Worker's Compensation coverage for out-of-state claims through commercial insurance, which are subject to statutory limits.

The College did not have a significant reduction in insurance coverage from coverage in the prior year. Additionally, the College did not have any settlements exceeding insurance coverage for any of the prior three years.

The College has two healthcare plans for full-time benefit eligible employees. Additionally, the College has two healthcare plans for retirees not eligible for Medicare. All employee/retiree plans are self-funded.

At June 30, 2024, actuaries calculated the 2024 unpaid unreported claim liability to be $3.0 million for the medical plan and $51 thousand for the dental plan. Prior year totals were $3.2 million for the medical plan and $55 thousand for the dental plan in 2023 and $2.8 million for the medical plan and $45 thousand for the dental plan in 2022. Additionally, the unpaid liability includes $1.4 million of medical and $85 thousand of dental expenses that were invoiced in July 2024 for services incurred in June 2024. As of June 2023, there were $722 thousand of medical and $91 thousand of dental expenses invoiced in July 2023 but incurred in June 2023.

Changes in the balance of claims liabilities are as follows:

	FY24	FY23	FY22
Claims Incurred	$51,259,838	$52,925,567	$42,854,853
Claims Paid	($51,454,177)	($52,543,698)	($42,566,809)
Claims Incurred but Unpaid 6/30	($194,339)	$381,869	$288,044
Unpaid Unreported Claims - Beginning Balance	$3,235,191	$2,853,322	$2,565,278
Unpaid Unreported Claims – Ending Balance	**$3,040,852**	**$3,235,191**	**$2,853,322**

As of June 30, 2024, the College has a reserve (the excess/deficit of employer share over claims paid, excess/deficit of fringe rate charge over actual, and funds transferred in from other college resources) in the amount of $10.3 million. As of June 30, 2023, the reserve was $8.1 million.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF COLLEGE'S OTHER POSTEMPLOYMENT BENEFITS								
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB liability—beginning	$37,740,235	$37,922,661	$46,933,838	$44,090,257	$45,592,026	$43,178,310	$43,136,472	$43,753,369
Service cost	1,625,845	1,476,087	1,934,165	1,886,671	1,806,581	1,774,855	1,905,089	2,142,987
Interest	1,608,836	1,482,319	765,417	1,176,891	1,299,962	1,603,853	1,563,656	1,391,731
Changes of benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience	2,895,583	952,653	(3,666,835)	(1,551,773)	(3,949,722)	(1,744,880)	(1,073,714)	(624,300)
Changes of assumptions or other inputs	(686,539)	(374,554)	(5,420,414)	3,008,357	992,057	2,223,332	(467,965)	(1,518,443)
Benefit payments	(3,894,249)	(3,718,931)	(2,623,510)	(1,676,565)	(1,650,647)	(1,443,444)	(1,885,228)	(2,008,872)
Total OPEB liability-end	39,289,711	37,740,235	37,922,661	46,933,838	44,090,257	45,592,026	43,178,310	43,136,472
Covered employee payroll	$219,768,993	$217,804,845	$208,304,528	$198,966,214	$191,240,512	$190,453,691	$189,194,063	$189,812,818
Total OPEB liability as percentage of covered employee payroll	18%	17%	18%	24%	23%	24%	23%	23%

GASB Statement No. 75 requires disclosure of a 10-year schedule. However, until a full 10-year trend is compiled, the information is presented for those years for which information is available.

Claims are paid as incurred, and as a result, there are no assets accumulated in the plan.

SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY					
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
College's proportion of the net pension liability	0.131%	0.164%	0.197%	0.228%	0.267%
College's proportion of the net pension liability (asset)	$4,638,604	$5,177,961	$2,594,062	$6,880,760	$8,807,995
College's covered payroll	$8,262,753	$9,448,876	$10,869,126	$12,298,481	$13,885,017
College's proportionate share of the collective net pension liability (asset) as a percentage of its covered payroll	56.1%	54.8%	23.9%	55.9%	63.4%
Plan fiduciary net position as a percentage of the total pension liability	80.8%	82.5%	92.5%	81.4%	79.4%

SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY CONTINUED					
	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
College's proportion of the net pension liability	0.311%	0.370%	0.441%	0.508%	0.597%
College's proportion of the net pension liability (asset)	$10,573,983	$16,525,557	$19,997,294	$20,669,978	$15,685,882
College's covered payroll	$15,882,656	$18,376,394	$21,117,060	$24,308,288	$29,142,157
College's proportionate share of the collective net pension liability (asset) as a percentage of its covered payroll	66.6%	89.9%	94.7%	85.0%	53.8%
Plan fiduciary net position as a percentage of the total pension liability	78.9%	76.6%	75.3%	77.3%	84.3%

SCHEDULE OF THE COLLEGE'S CONTRIBUTIONS	2023	2022	2021	2020	2019
Contractually required contribution	$901,854	$1,033,115	$1,202,591	$1,369,354	$1,548,399
Contributions in relation to the contractually required contributions	(901,854)	(1,033,115)	(1,202,591)	(1,369,354)	(1,548,399)
Contribution deficiency (excess)	-	-	-	-	-
College's covered payroll	$8,262,753	$9,448,876	$10,869,126	$12,298,481	$13,885,017
Contributions as a percentage of covered-payroll	10.9%	10.9%	11.1%	11.2%	11.2%

SCHEDULE OF THE COLLEGE'S CONTRIBUTIONS CONTINUED	2018	2017	2016	2015	2014
Contractually required contribution	$1,774,851	$2,058,160	$2,365,111	$2,729,685	$3,258,170
Contributions in relation to the contractually required contributions	(1,774,851)	(2,058,160)	(2,365,111)	(2,729,685)	(3,258,170)
Contribution deficiency (excess)	-	-	-	-	-
College's covered payroll	$15,882,656	$18,376,394	$21,117,060	$24,308,288	$29,142,157
Contributions as a percentage of covered-payroll	11.2%	11.2%	11.2%	11.2%	11.2%

Notes to RSI:

Fiscal Year 2024 Changes in Assumptions and Benefit Terms

The discount rate, per capita claim costs, and the per capita retiree contributions have been updated since the prior measurement date. No additional changes are anticipated between the measurement date and the College's reporting date of June 30, 2024. The annual age 65 per capita claims cost increased by $1,721 for pre-Medicare medical and $6 for dental in fiscal year 2024. Additionally, the assumption for per capita retiree contributions decreased by $104 for medical and increased $1 for dental for 75 Plan retirees per year; for regular retirees, the amount increased by $825 in fiscal year 2024 to $12,292 and increased by $5 to $500.

As of January 1, 2009, the College is no longer accepting new participants into the 75 Plan. This is the portion of the College's other postemployment benefits plan where employees retiring between the age of fifty-five (55) and sixty-five (65), whose combined age and years of continuous benefit-eligible service equal at least seventy-five (75), were hired on or before December 31, 2008 and were benefits-eligible and continuously employed in a benefits-eligible position on or prior to December 31, 2008, may elect to remain in the College group medical and/or dental programs. The employees who meet these requirements and remain in the 75 Plan pay the same premium as an active employee, which is subsidized by the College until they become eligible for Medicare at which time they may continue in the regular Plan. This is the only change in benefit terms, and as of June 30, 2024, no other changes to benefit terms are anticipated.

Fiscal Year 2023 Changes in Assumptions and Benefit Terms

The discount rate, per capita claim costs, per capita retiree contributions, and the mortality table have been updated since the prior measurement date. No additional changes are anticipated between the measurement date and the College's reporting date of June 30, 2023. The annual age 65 per capita claims cost increased by $1,328 for pre-Medicare medical and $0 for dental in fiscal year 2023. Additionally, the assumption for per capita retiree contributions decreased by $21 for medical and increased $0 for dental for 75 Plan retirees per year; for regular retirees, the amount increased by $766 in fiscal year 2023 to $11,467 and remained the same for dental at $495.

As of January 1, 2009, the College is no longer accepting new participants into the 75 Plan. This is the portion of the College's other postemployment benefits plan where employees retiring between the age of fifty-five (55) and sixty-five (65), whose combined age and years of continuous benefit-eligible service equal at least seventy-five (75), were hired on or before December 31, 2008 and were benefits-eligible and continuously employed in a benefits-eligible position on or prior to December 31, 2008, may elect to remain in the College group medical and/or dental programs. The employees who meet these requirements and remain in the 75 Plan pay the same premium as an active employee, which is subsidized by the College until they become eligible for Medicare at which time they may continue in the regular Plan. This is the only change in benefit terms, and as of June 30, 2023, no other changes to benefit terms are anticipated.

Fiscal Year 2022 Changes in Assumptions and Benefit Terms

The discount rate, per capita claim costs, per capita retiree contributions, and the mortality table have been updated since the prior measurement date. No additional changes are anticipated between the measurement date and the College's reporting date of June 30, 2022. The annual age 65 per capital claims cost increased by $356 for pre-Medicare medical and $0 for dental in fiscal year 2022. Additionally, the assumption for per capita retiree contributions increased by $64 for medical and increased $0 for dental for 75 Plan retirees per year; for regular retirees, the amount increased by $264 in fiscal year 2022 to $10,701 and remained the same for dental at $495.

As of January 1, 2009, the College is no longer accepting new participants into the 75 Plan. This is the portion of the College's other postemployment benefits plan where employees retiring between the age of fifty-five (55) and sixty-five (65), whose combined age and years of continuous benefit-eligible service equal at least seventy-five (75), were hired on or before December 31, 2008 and were benefits-eligible and continuously employed in a benefits-eligible position on or prior to December 31, 2008, may elect to remain in the College group medical and/or dental programs. The employees who meet these requirements and remain in the 75 Plan pay the same premium as an active employee, which is subsidized by the College until they become eligible for Medicare at which time they may continue in the regular Plan. This is the only change in benefit terms, and as of June 30, 2022, no other changes to benefit terms are anticipated

Fiscal Year 2024: PERF Plan Amendments and Assumption Changes

Plan Amendments

In 2023, for PERF DB, TRF Pre-'96 DB, and TRF '96 DB the full retirement benefit eligibility condition of age 70 and 20 years of credible service while still active in covered position was changed to age 65 and 20 years of creditable service while still active in a covered position. This change was deemed immaterial and has no impact on the actuarial liability.

Assumption Changes

In 2023, there were no changes to the actuarial assumptions during the fiscal year.

Information regarding the annual money-weighted rate of returns on pension plan investments may be found online at https://www.in.gov/inprs/files/INPRSAnnualReportBook_FY23.pdf.

Fiscal Year 2023: PERF Plan Amendments and Assumption Changes

Plan Amendments

In 2022, there were no changes to the plan provisions during the fiscal year.

Assumption Changes

In 2022, there were no changes to the actuarial assumptions during the fiscal year.

Information regarding the annual money-weighted rate of returns on pension plan investments may be found online at https://www.in.gov/inprs/files/INPRSAnnualReportBook_FY22.pdf.

Fiscal Year 2022: PERF Plan Amendments and Assumption Changes

Plan Amendments

In 2021, the PERF defined benefit plan was modified pursuant to House Enrolled Act 1001. This granted a 1.00% cost-of-living adjustment effective January 1, 2022.

Assumption Changes

In 2021, there were several economic assumption changes. The investment return assumption decreased to 6.25% from 6.75% in 2020. The inflation assumption decreased to 2.00% in 2021 compared to 2.25% in 2020. Future salary assumptions decreased slightly in the service-based table to 2.65%-8.65%. The service-based table was 2.75%-8.75% in 2020. Additionally, the Board approved portfolio revisions that will increase the plan's target allocation for total exposure to equal 115%.

Information regarding the annual money-weighted rate of returns on pension plan investments may be found online at https://www.in.gov/inprs/files/INPRSAnnualReportBook2021.pdf.

The following information is presented as additional data and is not subject to the audit opinion expressed by the Indiana State Board of Accounts. These reports were prepared by the management of Ivy Tech Community College of Indiana.

Five Year Trend in Student Enrollment

	2019-20	2020-21	2021-22	2022-23	2023-24
Credit Student - Full Time	22,599	19,971	19,632	21,073	23,382
Part Time	140,054	131,144	135,708	143,737	155,550
Total	**162,653**	**151,115**	**155,340**	**164,810**	**178,932**
FTE	54,863	51,349	51,056	54,437	60,101
Skills Training Students	9,964	11,712	14,676	15,086	20,484

Credit Students

The above information reports students on an "unduplicated" basis for Full Time, Part Time, and the Total categories. FTE reports these students on a "full-time equivalent" basis. For purposes of student count, the above full-time data includes individuals who enrolled in 12 or more credit hours for a single term; or 24 or more credit hours for two or more terms.

Skills Training Students

The above information for skills training students represents total unduplicated skills training registrations during the fiscal year. This includes custom training courses as well as open enrollment in both professional development and personal enrichment courses.

IVY TECH
COMMUNITY COLLEGE